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BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Councillor A Brown (Chair)
Councillor F Chapman
Councillor P Downing
Councillor M Headley
Councillor D McVicar
Councillor M Riaz

A meeting of **Corporate Services Policy and Challenge Group** will be held at **Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK41 7NR** on **Thursday, 26 November 2015** starting at **10.00 am.**

Karen Daniels
Service Assurance Manager

A G E N D A

Item	Subject	Lead	Purpose of Discussion
1.	Apologies		
2.	Declarations of Disclosable Pecuniary and Other Interests	Chair	Members are requested to disclose the existence and nature of any disclosable pecuniary interest and any other interests as required by the Fire Authority's Code of Conduct.
3.	Communications	Chair	
4.	Minutes	Chair	* To confirm the Minutes of the meeting held on 16 September 2015 (Pages 1 - 10)
5.	Corporate Services Performance 2015/16 Quarter 2 and programmes to date	CFO	* To consider a report (Pages 11 - 22)
6.	Report on Fuel Cards	HOS	* To consider a report (Pages 23 - 26)

Item	Subject	Lead	Purpose of Discussion
7.	New Internal Audit Report Completed to date	CFO	* To consider a report (Pages 27 - 54)
8.	Audit and Governance Action Plan Monitoring Report	CFO	* To consider a report (Pages 55 - 68)
9.	Revenue Budget and Capital Programming Monitoring 2015/16	HFT	* To consider a report (Pages 69 - 78)
10.	Treasury Management Mid Year Review Report	HFT	* To consider a report (Pages 79 - 88)
11.	Annual ICT Shared Service User Survey	HSS	* To consider a report (Pages 89 - 118)
12.	Corporate Risk Register	CFO	* To consider a report (Pages 119 - 124)
13.	Review of Corporate Service's Policy and Challenge Group Effectiveness	CFO	* To consider a report and review answers to questionnaire (Pages 125 - 134)
14.	Work Programme 2015/16 and Review of Paperless Meeting	Chair	* To consider a report (Pages 135 - 140)
	Next Meeting		10.00 am on 7 March 2016 at Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK41 7NR

DECLARATIONS OF INTEREST

From 1 July 2012 new regulations were introduced on Disclosable Pecuniary Interests (DPIs). The interests are set out in the Schedule to the Code of Conduct adopted by the Fire Authority on 28 June 2012. Members are statutorily required to notify the Monitoring Officer (MO) of any such interest which they, or a spouse or civil partner or a person they live with as such, have where they know of the interest.

A Member must make a verbal declaration of the existence and nature of any Disclosable Pecuniary Interest and any other interest as defined in paragraph 7 of the Fire Authority's Code of Conduct at any meeting of the Fire Authority, a Committee (or Sub-Committee) at which the Member is present and, in the case of a DPI, withdraw from participating in the meeting where an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.

MINUTES OF CORPORATE SERVICES POLICY AND CHALLENGE GROUP MEETING HELD ON 16 SEPTEMBER 2015

Present: Councillors T Brown (Chair), F Chapman, P Downing and M Headley

CFO Fuller, ACO Evans, SOC T Rogers, Mrs A Ashwood, Mr J Atkinson and Mr G Chambers

15-16/CS/015 Apologies

Apologies for absence were received from Councillors P Castleman and D McVicar.

15-16/CS/016 Declaration of Disclosable Pecuniary and Other Interests

No declarations were made.

15-16/CS/017 Communications

The Group received the Minutes of the ICT Shared Service Governance Board meeting held on 14 April 2015 for information.

15-16/CS/018 Minutes

RESOLVED:
That the Minutes of the meeting held on 17 June 2015 be confirmed and signed as a true record.

15-16/CS/019 Corporate Services Performance 2015/16 Quarter 1 and Programmes to Date

ACO Evans introduced the performance report for the first quarter of 2015/16. She drew Members' attention to the Virtual Desktop Infrastructure project which was currently amber rated as completion had been delayed to ensure alignment to the priorities of both Bedfordshire and Cambridgeshire Fire and Rescue Services. This included alignment to the prioritisation of this Service's Retained Availability System. This Group would continue to receive updates on the completion of the project.

Members noted that all the performance indicators were achieving or exceeding target levels for the first quarter and suggested that the targets would need to be scrutinised during the annual target-setting meeting in February 2016.

The Chair suggested that the target for FNP5 (percentage of uncontested invoices paid within 30 days) should be revised upward to 100% at that time.

The view was expressed that there may be some areas where the Group wished to retain or decrease targets as a result of increasing budget pressures on the Service, and that areas of work and corresponding targets would need to be prioritised.

Members noted that the performance against the ICT targets had improved since the introduction and bedding in of the ICT Shared Service.

RESOLVED:
That the progress made on Corporate Services Programmes and Performance, particularly the improvement in performance against the ICT performance indicators, be acknowledged.

15-16/CS/020 New Internal Audit Reports

ACO Evans submitted the internal audit report on Business Continuity including Risk Management. This audit had been completed on 13 August 2015 and finalised at 7 September 2015. The audit conclusion was green and the Authority could take substantial assurance that the controls upon which the organisation relies to manage this area were suitably designed, consistently applied and operating effectively.

There were two low priority recommendations arising from the report, both of which had already been completed.

RESOLVED:
That the attached internal audit report be received and the associated management comments/actions which will be added to the Audit and Governance Action Plan Monitoring report be endorsed.

15-16/CS/021 Audit and Governance Action Plan Monitoring Report

ACO Evans submitted a report on progress made to date against current action plans arising from internal and external audit reports and from the Authority's 2014/15 Annual Governance Statement.

There were a number of actions that were due for completion in March 2016. The follow-up audit was also arranged for March 2016.

ACO Evans advised that, arising from a request from the Chair, recommendations which included a large amount of work would also include milestones so that Members could more effectively scrutinise progress made.

RESOLVED:
That the progress made to date against the action plans be acknowledged and that the extensions to completion dates be agreed.

15-16/CS/022 Revenue Budget and Capital Programme Monitoring 2015/16

Mr G Chambers, the Head of Finance and Treasurer, presented the forecast year-end position for 2015/16. There was currently an £11,000 forecast non-salary underspend and £155,000 forecast salary underspend. The salary underspend was mainly the result of a lower than anticipated fire fighters pay award of 1%. He confirmed that any surplus at the end of the financial year was transferred into the reserves.

In response to a question on the spending to date, the Head of Finance and Treasurer advised that there were a number of areas in which spending was phased and not spread evenly throughout the year. For example, areas of finance and community safety had higher level of spends later in the financial year.

It was noted that there was also likely to be an underspend in relation to the Retained Duty System (RDS).

ACO Evans advised that the recent Pensions Ombudsman's decision in Milne v. Government Actuaries Department on commutation factors affected approximately 60 individuals and this would need to be reflected in the accounts.

In relation to the Capital Programme, the Head of Finance and Treasurer requested that the Group recommend that the Fire and Rescue Authority approve the purchase of three fire appliances from lease at a cost of £48,000. He reported that the cost of a two-year lease for these vehicles would be £49,000. If approved by the full Fire and Rescue Authority, there would be a reduction in the leasing budget for the next financial year.

Members discussed the issues raised around fitness equipment and leisure facilities raised during the station visit to Potton. The Chief Fire Officer advised that this was being considered further.

RESOLVED:
1.   That the Fire and Rescue Authority be recommended to:
        (a)   note the forecast outturn; and
        (b)   approve the addition to the Capital Programme.
2.   That the Group receive information on the phasing of the Community Safety budget and a list of leased vehicles, along with the costs and lease periods, at its next meeting.

15-16/CS/023 2016/17 Revenue Budget and Capital Programme

Mr G Chambers, Head of Finance and Treasurer, introduced his report on the budget setting process for the 2016/17 Revenue Budget and Capital Programme. This included two Member Budget Workshops in November 2015 and January 2016 in preparation for the submission of the final budget to the meeting of the Fire and Rescue Authority on 11 February 2016.

The view was expressed that the Autumn Statement was unlikely to be received before the first budget workshop.

The Chief Fire Officer reported that he had been approached by the Police and Crime Commissioner for Bedfordshire in relation to a proposed bid to Innovation Fund administered by the Home Office for future collaborative work. The Chief Fire Officer would be meeting with the Chief Constable to discuss the expression of interest.

RESOLVED:
That the report and timescales within be agreed.

15-16/CS/024 Utility Usage and Procurement

Mr G Chambers, Head of Finance and Treasurer, submitted a report on utility usage and procurement as requested by the Group at its last meeting. He advised that the Service procured gas and electricity through the LASER Group of 115 local authorities and its water from Affinity Water and Anglian Water. The total annual spend on utilities was £206,000.

In relation to water usage, both Biggleswade and Stopsley Fire Stations appeared to have high usage and this would be investigated further. Previous high water usage at Ampthill and Luton Fire Stations had been due to water leaks which had now been repaired.

Bedford, Dunstable and Woburn Fire Stations had high usage of electricity. It was noted that Bedford and Woburn Fire Stations did not have gas supplies and Dunstable Fire Station was used by third parties. A full-time firefighter was based at Woburn Fire Station. There was a possibility that a sub-meter could be installed in Dunstable Fire Station to ensure that hirers were paying for the correct level of utility usage.

Gas usage was high at Harrold, Luton and Shefford Fire Stations. Harrold had high gas usage because a full time firefighter was based at the station due to crewing requirements. There was a Combined Heat and Power Unit at Luton Fire Station which was faulty but this had now been repaired and gas usage should decrease at that site. Shefford Fire Station was also used by the Ambulance Service. To reduce utility usage at that station, motion sensor lighting was being installed.

It was hoped that the installation of Automatic Meter Readers would assist the Fire Service in recognising any exceptions more quickly so that these could be investigated and resolved.

RESOLVED:
1.   That the report be acknowledged.
2.   That Members receive a timetable for when the issues relating to the stations identified in the report as being high users of utilities would be resolved.

15-16/CS/025 Annual Review of the Operation of ICT Shared Service Agreement

Mrs A Ashwood, the Head of Strategic Support, introduced the first annual review of the ICT Shared Service to the Group for information. The review had been presented to and considered by the ICT Shared Service Governing Body.

The review covered that following areas: the quality of the Shared Service; the effectiveness of budgetary and financial management arrangements; the effectiveness of systems, processes and procedures; development in legislation and policy guidance; and planning for the development of the Shared Services.

The Head of Strategic Support highlighted a number of areas of significant improvement, including response times, improved Service Desk availability, a more resilient network and savings in joint procurement.

She assured Members of the cross-charging arrangements and that this Service was a strong an equal partner in the Shared Service.

It was noted that individual members of staff were employed by one of the Services to maintain employment rights and control.

ACO Evans advised that this was causing a degree of tension and that the benefits of this model or an alternative model was being investigated.

Members discussed a report which had been presented to a previous meeting of the full Fire and Rescue Authority that suggested the creation of a shared service company to run the ICT Shared Service, with both Services maintaining governance control. Members had commented at the time that further options should be considered before any decision was made, and that this should be undertaken by this Group.

ACO Evans advised that reports would be presented to Members of this Group on the results of the customer satisfaction survey and options for future delivery models at a meeting later in the year.

RESOLVED:
That the outcome of the first annual review of the operation of the ICT Shared Service and progress in the operations, planning and development be noted.

15-16/CS/026 Corporate Risk Register

SOC T Rogers submitted the Service's Corporate Risk Register in relation to Corporate Services.

The changes to individual risk ratings were as follows:

CRR04: If there are a large number of staff absent from the workplace then our ability to deliver services to our communities is severely compromised and our reputation will be adversely affected: the residual impact had been reduced from 4 to 3 and the risk rating had reduced from 16 to 12 as the business continuity arrangements had been tested during recent industrial disputes.

CRR43: If the Service suffers a terrorist attack then there is the potential for elements of the Critical National Infrastructure (CNI) to be compromised, our ability to respond to emergency incidents could be significantly affected, we would be unable to fulfil our duties under the Civil Contingencies Act and our reputation could be adversely affected: the residual impact had been reduced from 4 to 3 with the overall reduction in the risk rating from 16 to 12 as a significant amount of progress had been made in relation to the control measures.

SOC Rogers also reported on the following updates to the individual risk ratings:

CRR05: If we are unable to provide adequate asset management and tracking facilities then we may cause serious injuries to our staff due to a lack of safety testing. We may also incur unnecessary significant costs and be in breach of health and safety legislation: a new team to progress a software solution for asset management tracking had been created and it was hoped that a supplier would be selected by the end of the year.

CRR 23: The Service IT infrastructure is unable to handle secure e-mails from external partners: a software solution for managing the transmission of secure emails within the Service had been identified for implementation and was due for completion in September 2015.

CRR39: If we have inadequate data management due to poor implementation, inappropriate specification of requirements or poor quality control measures then we are at risk of using the wrong information throughout the organisation and thus potentially affecting the delivery of our services: an additional control had been introduced.

SOC Rogers also reminded Members that that Service's Business Continuity and Risk Management arrangements had been audited by Baker Tilly and had received a green audit opinion.

Members queried whether the extract from the Corporate Risk Register was classified information and why it could not be provided with the rest of the agenda papers. CFO Fuller advised that this would be investigated.

RESOLVED:
That the review by the Service of the Corporate Risk Register in relation to Corporate Services be approved.

15-16/CS/027 Work Programme and Review of Paperless Meeting

Members discussed the continuing trial of paperless meetings. It was agreed that the trial would continue and no recommendation to the full Fire and Rescue Authority would be made at this stage.

It was noted that training for Members may be required and that this should be provided individually as Members were in possession of different electronic devices.

Mrs A Ashwood, the Head of Strategic Support reported that the Service was considering the procurement of modern.gov, the system used by Bedford Borough and Central Bedfordshire Councils to publish committee papers electronically. It was anticipated that this could be fully functional by the start of the 2016/17 financial year and would facilitate access to agendas and Minutes of meetings of the Fire and Rescue Authority and its relevant Member groups.

RESOLVED:
1.   That the Work Programme be received.
2.   That a report on lease vehicles be added to the Work Programme for the 26 November 2015 meeting.
3.   That the Group continue its trial of paperless meetings and that training on accessing electronic agendas effectively be made available for any Member of the Group who requires it.

The meeting ended at 11.46am.

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REPORT AUTHOR: **CHIEF FIRE OFFICER**

SUBJECT: **CORPORATE SERVICES PROGRAMME AND PERFORMANCE 2015/16 QUARTER TWO (APRIL TO SEPTEMBER 2015)**

For further information
on this Report contact: Adrian Turner
Service Performance Analyst
Tel No: 01234 845022

Background Papers:

Previous Corporate Services Quarterly Programme and Performance Summary Reports

Implications (tick ✓):

LEGAL	✓		FINANCIAL	✓
HUMAN RESOURCES	✓		EQUALITY IMPACT	✓
ENVIRONMENTAL	✓		POLICY	✓
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To provide the Corporate Services Policy and Challenge Group with a report for 2015/16 Quarter 2, detailing:

1.   Progress and status of the Corporate Services Programme and Projects to date.

2.   A summary report of performance against Corporate Services Performance indicators and associated targets for Quarter Two 2015/16 (1 April 2015 to 30 September 2015).

RECOMMENDATION:

Members acknowledge the progress made on Corporate Services Programmes and Performance and consider any issues arising.

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1.   Programmes and Projects 2015/16

1.1   Projects contained in this report have been reviewed and endorsed in February 2015 by the Authority's Policy and Challenge Groups as part of their involvement in the annual process of reviewing the rolling four-year programme of projects for their respective areas in order to update the CRMP in line with the Authority's planning cycle.

1.2   The review of the current programme of strategic projects falling within the scope of the Corporate Services Policy and Challenge Group has confirmed that:

  ➢ all existing projects continue to meet the criteria for inclusion within the strategic improvement programme;
  ➢ all existing projects remain broadly on track to deliver their outcomes within target timescales and resourcing;
  ➢ are within the medium-term strategic assessment for Corporate Services areas; and
  ➢ the current programme is capable of incorporating, under one or more existing projects, all anticipated additional strategic improvement initiatives relating to Corporate Services over the next three years.

1.3   Full account of the financial implications of the Corporate Services programme for 2015/16 to 2018/19 has been taken within the proposed 2015/16 Budget and Medium-Term Financial Plan, as presented to the Authority for agreement in February 2015.

1.3.1   Shared Services opportunities remain under consideration.

Item 5.2

1.4   Delivery of the Virtual Desktop Infrastructure (VDI) (an ICT Shared Service joint project with Cambridgeshire Fire and Rescue Service) began in September 2015 as planned.

1.5   The Information Security Management System project which was established as a project in the previous reporting period has been completed.

1.6   The Telephony System Replacement Project remains on hold due to other more urgent priorities.

1.7   Other points of note include the following:

- The Corporate Management Team monitors progress of the Strategic Projects monthly. The Strategic Programme Board reviews the Programme at least twice a year with the next Programme Board review scheduled for 11 March 2016.

1.8   Appendix A, gives a summary of status to date. The status of each project is noted using the following key:

Colour Code	Status
GREEN	No issues. On course to meet targets.
AMBER	Some issues. May not meet targets.
RED	Significant issues. Will fall outside agreed targets.

2.   Programme Summary and Exception Reports

There are no exception reports for this period.

3.   Performance

3.1   In line with its Terms of Reference, the Corporate Services Policy and Challenge Group is required to monitor performance against key performance indicators and associated targets for areas falling within the scope of the Group. It has been previously agreed by the Group, that in order to facilitate this, it should receive quarterly summary performance reports at each of its meetings.

3.2   This report presents Members with the performance summary outturn for Quarter Two 2015/16 which covers the period 1 April to 30 September 2015. Performance is shown in Appendix B. The indicators and targets included within the report are those established as part of the Authority's 2015/16 planning cycle.

3.3   The status of each measure is noted using the following key:

Colour Code	Exception Report	Status
GREEN	n/a	Met or surpassed target
AMBER	Required	Missed but within 10% of target
RED	Required	Missed target by greater than 10%

4.   <u>Performance Summary and Exception Reports</u>

All performance indicators are on target with the exception of:

FNP5 Percentage of Uncontested Invoices Paid within 30 days, we missed the target by 0.23% which represents a difference of 20 invoices out of 8000.

PAUL M FULLER
CHIEF FIRE OFFICER

CORPORATE SERVICES PROGRAMME REPORT

Project Description	Aims	Performance Status	Comments
Shared Services	A programme to explore opportunities with partners for collaborating and sharing Services, eg through a shared structure and governance, providing enhanced customer focused services, resilience, and operating efficiency.	**No Active Work streams**	**Other Shared Services** This programme remains in place to encompass any future opportunities for shared services to be explored as they arise. No active projects. The Service remains vigilant to opportunities and these will be brought into this Programme as they arise.
Business Systems Improvement	Optimise the use of existing business systems and replace where appropriate.	**Green**	**HR System:** The Fire Authority, in their meeting of 21 October 2015, approved additional funding £74,000 to provide additional support to run the HR System Project due to new and continued work pressures on the HR Team. Indicative system and service costs have been received from the system provider and Greater Manchester Fire and Rescue Service. These are being evaluated. In the meantime a technical visit has taken place with the prospective system provider to assess their technical provision and security arrangements. The outcome of this assessment was positive. Our approach to integration is under way following this visit and dialogue with the provider is progressing. An options appraisal is now being prepared to consider the way forward in respect to the Service element of the project with include Payroll and System support services.

Project Description	Aims	Performance Status	Comments
Business Systems Improvement cont….	Optimise the use of existing business systems and replace where appropriate.	**Green**	**Land and Property Gazetteer:** The Land and Property Gazetteer Managed Service provided by Cambridgeshire FRS has successfully migrated to the new Addressbase Premium service. The Incident Recording System interface is now integrated with a cut of the Land and Property Gazetteer data improving the quality of the addressing information. Additional work has been undertaken to deliver Addressbase and an associated spatial database into the replacement mobilising system working in partnership with Essex FRS. Our Management Information System has also migrated to the Land and Property Gazetteer. Address matching continues across some 36,000 fire safety records. This will provide a single view of a non-domestic property irrespective of any change in company name. **Asset Management:** The RFID solution has been placed to one side following a withdrawal of the development partner due to other business pressures. Work is now focussed on building the requirements for the service wide asset management system which incorporates financial management and technical management. A repository for technical equipment data to support interim management of equipment and data capture process has been completed. Demonstrations of Asset Management Systems have taken place. These include those that are already in use or being procured in other Fire and Rescue Services. The outcomes of this exploration are continuing to be developed into user requirements and technical specification. A potential solution for the Technical asset management has been identified. A number of work streams have been identified by the Project Board to ensure the full scope of the Asset Management System is delivered including financial management of our assets. We are engaging with Cambridgeshire and Devon and Somerset Fire and Rescue Services to re-establish any opportunities for joint working on common areas of interest in asset management.

Project Description	Aims	Performance Status	Comments
Business Systems Improvement cont….	Optimise the use of existing business systems and replace where appropriate.	**Green**	**Prevention and Protection Management System:** A review of applications in use across Fire and Rescue Services has been undertaken include demonstrations. The project has also engaged with users from other FRS who have implemented such a system to share their experience and learning to inform our project. The project has identified key areas of Protection and Prevention that will require intermediate improvements ahead of the implementation of a new business system. The 101C database that records community safety activity has been developed using the STEP process automation solution. This is now being rolled out to the Community Safety Team ahead of a wider distribution to Stations. Further work is planned to integrate the Community Safety Assessment Tool into this solution. A Home Fire Safety Check process is also in the discovery stage for future development. **Retained Availability Software** As part of the Retained Duty System review, the Service is replacing its retained availability software. The Gartan solution has been procured. Implementation is underway with the supplier. The technical Server side aspect has been completed. An initial implementation is planned as a stand-alone system to address the immediate operational need. For the second stage an assessment of the integrations between systems needs to be identified. These integrations will be implemented using the STEP integration technologies. This will ensure a primary data sources are shared across systems enhancing data accuracy and information flows.

Project Description	Aims	Performance Status	Comments
Desktop Refresh (VDI)	All principle business systems will be packaged onto the Virtual Desktop server. Users to receive their virtual desktop from a central Server. Aim is to improve flexibility of working location, optimise data flows on the networks, increase resilience by removing local machines, reduce desk-side technical support by removing physical PCs, and provide the facility to stream good quality video. Links to the Telephony Project.	**Green**	The Virtual Desktop Server hardware has been received and is has completed configuration. A physical audit of applications and how they are used has been conducted across all wholetime stations with good user engagement. This has identified a number of improvements that can be made for users ahead of the move to VDI. The VDI Image is now being built using the information gather from the applications audit. User endpoints have been shipped ready for call off from third party store. Software Auditing tool has been procured which will be used in the next phase to complete the audit of software and provide on-going licensing monitoring. A tool to package the applications has been identified and external contractors are being engaged to conduct this work with knowledge transfer part of the work package.

Project Description	Aims	Performance Status	Comments
Information Security Management System	To introduce and information security management systems that meets the requirements of ISO27001 and associated Controls. This complements the Business Continuity and Risk Management project which also provided for the implementation of Protective Security.	**Completed**	1. Managing Critical Information Controls – Completed. The Critical Information Controls from the Information Security Standard have now been fully integrated into Abriska which is the Service's information security management system. Following integration, the ICT Team have been systematically working through and reviewing these controls which now form part of business as usual in the maintenance of the system. 2. Managing Critical Information Structures – Completed. The structures required to manage the Service's critical information have been incorporated into the Service Assurance Framework Policy which brought together Information Security, Business Continuity and Risk Management as a fully integrated approach. 3. Implementation – Completed. The Service's Information Security System has now been implemented. Implementation comprised of a number of strands including the introduction of the Service Assurance Framework with a range of supporting policies including Information Security, Data Management, Data Handling Email protocols, Social Media and the ICT Shared Service implemented ITIL (Information Technology Infrastructure Library) compliant procedures which also support Information Security. Updates to the Service IT Infrastructure have also been delivered to assist in keeping information secure that includes the roll out of secure printers and secure email to roles that require such facilities. Familiarisation workshops with regards to the management of data including Data Protection, Freedom of Information and Subject Access Requests have also been delivered and are on-going with further familiarisation training to be delivered across the Service and incorporated into business as usual. The Information Security Project will be signed off by the next Programme Board scheduled for 11th March 2016.

SUMMARY OF CORPORATE SERVICES PERFORMANCE QUARTER TWO 2015/16

	Finance								
	Measure			**2015/16 Quarter 2**					
No.	**Description**	**Aim**	**Full Year Target**	**Five Year Average**	**Q2 2014/15**	**Q2 Actual**	**Q2 Target**	**Performance against Target**	**Comments**
FNP3	Percentage of Routine Financial Reports Distributed Within 6 Working Days of Period	Higher is Better	90%	100%	100%	100%	90%	Green	11% better than Target
FNP5	Percentage of Uncontested Invoices Paid Within 30 days	Higher is Better	96%	95%	96%	95.78%	96%	Amber	Missed target by 0.23%
FNP6	Percentage of Outstanding Debt Over 90 Days Old	Lower is Better	2%	9%	3%	0.77%	2%	Green	81% better than Target
	ICT								
IM1	The Number of Incidents on Mission Critical services resolved within 1 Hour	Higher is Better	90%	n/a	100%	100%	90%	Green	11% better than target
IM2	The Number of Incidents on Business Critical services resolved within 2 Hours	Higher is Better	86%	n/a	78%	100%	86%	Green	16% better than target
IM3	The Number of Incidents on Business Operational services resolved within 4 Hours	Higher is Better	83%	n/a	77%	98%	83%	Green	19% better than target
IM4	The Number of Incidents on Administration Services resolved within 8 Hour	Higher is Better	80%	n/a	76%	92%	80%	Green	15% better than target
AV1	Core ICT services availability	Higher is Better	97%	n/a	86%	100%	97%	Green	3% better than target
AV2	Business Applications Availability	Higher is Better	97%	n/a	100%	100%	97%	Green	3% better than target

5.10 (Appendix B)

SUMMARY OF CORPORATE SERVICES PERFORMANCE QUARTER TWO 2015/16

	Fleet & Workshops								
	Measure				2015/16 Q2				
No.	Description	Aim	Full Year Target	Five Year Average	Q2 2014/15	Q2 Actual	Q2 Target	Performance against Target	Comments
WS1a	**Grade A Defect Response Time (within 1 hour)**	Higher is Better	90%	n/a	98%	90%	90%	Green	On Target
WS1b	**Grade A Defect Response Time (within 2 hours)**	Higher is Better	95%	n/a	100%	97%	95%	Green	2% better than target
WS2a	**The percentage of time when Rescue Pumping Appliances were unavailable for operational use due to an annual service, defect or other works. (Turnaround Time)**	Lower is Better	5%	n/a	2%	2.73%	5%	Green	45% better than target
WS2b	**The percentage of time when Aerial Ladder Platforms & SRU were unavailable for operational use due to an annual service, defect or other works. (Turnaround Time)**	Lower is Better	5%	n/a	4%	3.06%	5%	Green	39% better than target
WS2c	**The percentage of time when other operational appliances were unavailable for operational use due to an annual service, defect or other works. (Turnaround Time)**	Lower is Better	3%	n/a	0%	0.58%	3%	Green	81% better than target
WS4	**The number of hours as a percentage the appliance is unavailable for operational response in the reporting period, other than for the time measured under the turn-a-round time. (Idle time)**	Lower is Better	2%	n/a	1%	1.06%	2%	Green	47% better than target

5.11 (Appendix B)

SUMMARY OF CORPORATE SERVICES PERFORMANCE QUARTER TWO 2015/16

	Fleet & Workshops								
	Measure				**2015/16 Q2**				
No.	**Description**	**Aim**	**Full Year Target**	**Five Year Average**	**Q2 2014/15**	**Q2 Actual**	**Q2 Target**	**Performance against Target**	**Comments**
WS5	The total time expressed as a % when ALL Appliances were available for operational use after the turn-a-round time and idle time are removed from the total time in the reporting period.	Higher is Better	93%	n/a	98%	97%	93%	Green	5% better than target
WS6	**Annual Services undertaken**	Higher is Better	100%	n/a	100%	100%	100%	Green	On Target

Note: The comments column on the right hand side shows a comparison of actual against target as a percentage, it should be noted that all targets are represented as 100% and the

.

5.12 (Appendix B)

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
26 November 2015
Item No. 6

REPORT AUTHOR:	**HEAD OF OPERATIONAL SUPPORT**
SUBJECT:	**FUEL CARDS**

For further information on this Report contact:	SOC J Roberts Head of Operational Support Tel No: 01234 845000 x 5089

Background Papers: Fuel Cards Audit Outcome Report November 2014

Implications (tick ✓):

LEGAL		✓	FINANCIAL	✓
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	☐	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To respond to Members' enquiries concerning the processes of the management of Service Fuel Cards.

RECOMMENDATION:

That Members acknowelege the findings of the paper.

1.   Introduction

1.1   At a meeting of the Fire Authority Audit and Standards Committee on 24 September 2015, Cllr T Brown requested an update on the audit outcome for Fuel Cards to be reported to the Corporate Service Policy and Challenge in November 2015.

1.2   As previously reported to the Fire Authority, an audit of the Service Fuel Cards was undertaken in September 2014, as part of a wider audit. That audit reviewed the systems in place for the use of Service Fuel cards and found a few anomalies that required action in order to prevent the unauthorised use of the Service Fuel Cards and improve the monitoring of their use. The final report was presented to the Corporate Service Policy and Challenge Group meeting on 2 December 2014. The recommendations relating to fuel card use were:

There is a need for the Authority to instigate a formal rigorous review process
of the monthly fuel statement received to identify cases highlighted
such as:

• The use of premium rather than standard fuels.
• Apparent cases where fuel cards are being used to purchase significant quantities of unleaded fuel for a diesel car.
• Cases where fuel for equipment is being purchased on a card designated for equipment use.

The statements should evidence the review process and be annotated as too
the outcome of any investigations/challenges

1.3   A follow up audit was carried out in Feb 2015 to determine if the actions agreed in the first audit had been carried out. All of the actions relating to fuel card use were confirmed as complete and were recorded as such in the Audit and Governance Action Plans Monitoring report sent to the Corporate Services Policy and Challenge Group Meeting on 16th September 2015.

2.   Service Fuel Cards – Update

2.1   A review of the use of Service Fuel Cards in Feb 2015 confirmed that the process instigated to resolve the issues identified in the initial audit are still in place and are being complied with.

2.2 These processes, together with a few additional measures, such as the requirement to insert the registration of the vehicle on the card key pad when using it to pay (thus showing it on the receipt) enable fuel purchased to be reconcilled with the mileage and fleet number alongside the fuel card statement, and have ensured that there have been no instances of the wrong card being used, or the wrong fuel being purchased on the card, since these measures were instigated.

3. Conclusion

3.1 The revised processes for monitoring the use of the fuel cards are effective and have removed the opportunity for unathorised use to go un-noticed.

3.2 There was no unauthorised use of the fuel cards identified in the audit, or prior to the implementation of the recommendations, and there has been no occurrence of the potential issues identified in the audit recommendations since the introduction of the improved control measures.

3.3 The correct fuel cards are being used for the vehicle/equipment type and premium fuel is not being purchased. Obsolete fuel cards are being withdrawn from use on disposal of the asset, and the other recommendations are now being complied with.

3.4 It is recommended that this outcome is noted and the follow up audit report is monitored through the Services Policy and Challenge Groups for those actions relevant to that group.

SOC JON ROBERTS
HEAD OF OPERATIONAL SUPPORT

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For Publication

REPORT AUTHOR:	**CHIEF FIRE OFFICER**

SUBJECT:	**NEW INTERNAL AUDIT REPORTS**

For further information
on this report contact:

Karen Daniels
Service Assurance Manager
Tel No: 01234 845013

Background Papers:

Baker Tilly Strategy for Internal Audit
Bedfordshire Fire Authority 2015/16 to 2017/18

Implications (tick ✓):

LEGAL			FINANCIAL	✓
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

Item 7.1

PURPOSE:

To present the report on internal audits completed since the last meeting of the Corporate Services Policy and Challenge Group.
RECOMMENDATION:

That Members receive the attached internal audit report and endorse the associated management comments/actions which will be added to the Audit and Governance Action Plan Monitoring report.

---

1.   Background

1.1   Internal audits are completed in accordance with the Internal Audit Annual Plan agreed by the Audit and Standards Committee.

1.2   Each internal audit report details:

- the specific audit conducted,
- the scope of the audit,
- an assessment of the controls in place to manage the relevant objectives and risks,
- the auditors recommendations and priority of these, and
- an action plan which has been agreed with the appropriate Functional Head and approved by the relevant Principal Officer for incorporation into the Audit and Governance Actions Monitoring report.

1.3   All internal audit reports are presented to the appropriate Policy and Challenge Group for endorsement of the actions arising.

2.   Internal Audit Reports

2.1   The Appendix A to this report presents the internal audit reports on:

- Procurement (completed on 22 October 2015; report finalised on 20 November 2015) (Appendix A). Conclusion: Amber/ Green – Reasonable Assurance.

2.2   The actions arising from the above audits will be incorporated as 'new' actions within the Audit and Governance Actions Monitoring Report in March 2016 for on-going monitoring by the Policy and Challenge Group.

2.3   Any slippage or other exceptions arising will also be reported to and monitored by the Audit and Standards Committee.

3   Thematic Reviews

3.1   During 2014/15 RSM (previously Baker Tilly) conducted internal audits for the Fire Authority in relation to Communications and Fuel Cards. These reports were presented to the Corporate Services Policy and Challenge group at their meeting on 2 December 2014.

3.2   The Opinion, Priority and Number of Recommendations for the Communications and Fuel Card audits are shown in the tables below:-

Communications			
Opinion: Green	Priority and Number of Recommendations		
Taking account of the issues identified, the Board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective	High	Medium	Low
Design of control framework	0	0	0
Application of control Framework	0	0	1
Total	**0**	**0**	**1**

Item 7.3

Fuel Cards			
Opinion: Red	Priority and Number of Recommendations		
Taking account of the issues identified, the Authority cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective. Action needs to be taken to ensure this risk is managed.	High	Medium	Low
Design of control framework	1	2	0
Application of control Framework	0	8	1
Total	**1**	**10**	**1**

3.3   Communications and Fuel card audits were carried out by RSM at four Authorities in 2014 (including Bedfordshire, Cambridgeshire and Essex Fire Authorities).

3.3   The Appendix B and C to this report presents the Thematic Reviews following the Communications and Fuel Cards audits from the four Authorities and looks to combine the finding from each of those individual audit assignments. This includes identifying those common controls, any difference in approaches, good practice and any areas of common weaknesses.

PAUL M FULLER
CHIEF FIRE OFFICER

THE POWER OF BEING UNDERSTOOD

BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Procurement

FINAL

Internal Audit Report: 3.15/16

20 November 2015

RSM

CONTENTS

1   EXECUTIVE SUMMARY

1.1 Background

An audit of Procurement was undertaken as part of the approved internal audit periodic plan for 2015/16 to determine the progress made since the 2014/15 review of expenditure by value and category to consider the framework in place and the adherence to defined rules and guidelines. Our review focused on the policies and procedures in place relating to the procurement function as well as sample testing of transactions and contracts to determine whether approval limits and guidelines for quotations and tenders were being complied with.

1.2 Conclusion

Our testing identified that procurement procedures had been complied with in our sample testing of tenders over £50k (across four years), however, there was a lack of evidence of quotations under this level which could result in a lack of value for money obtained by the Service.

Internal Audit Opinion:

Taking account of the issues identified, the Authority can take reasonable assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied.

However, we have identified issues that that need to be addressed in order to ensure that the control framework is effective in managing this area.
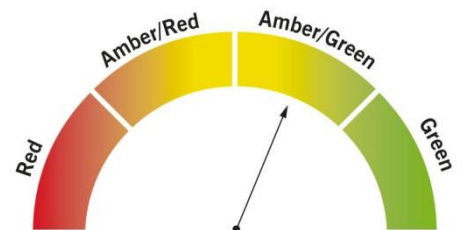
1.3 Key findings

The key findings from this review are as follows:

Policies and Procedures

We confirmed through review that the Authority had been using a number of documents to provide guidance on its procurement function, including a Procurement Policy document, a Procurement Procedure document and Standing Orders Relating to Contracts. The Authority has recently bought together the previously dispersed guidelines and information relating to the procurement function in a draft Procurement Policy and Procedure document. This document provides details on the recently implemented BlueLight e-tendering system as well as comprehensive guidance on threshold limits for quotations and tenders. The Authority also has guidance documents in place for the use of the e-procurement ReqManager system.

Requisition and Invoice sample testing and authorised signatory list

We noted that for a sample of 20 invoices and requisitions, each had been approved in line with the approval limits set out in the authorised signatory list held by the Finance team. We noted that there were arrangements in place for the regular review of the authorised signatory list which is held by the Finance department.

There were, however, no arrangements in place for the regular review of approval limits held within the system to ensure that they are reflective of the approval limits set out in the regularly reviewed hard copy authorised signatory list and consequently, there were no procedures in place covering this area.

We also found that at the time of the audit, the Authority did not have the functionality to run a report of user limits within the Great Plains finance system, whose approval limits feed automatically in to the ReqManager E-procurement system and that this would have to be requested as an addition to the package from the software provider. There was also no formally documented procedure in place for the amendment of approval limits within the Great Plains finance system, We have agreed one medium priority management action to address this issue .

Retention of evidence of best practice and quotations in line with defined thresholds

We noted that for the five lower value contracts selected with aggregated expenditure over four years below £2k, in each instance we were unable to obtain evidence to demonstrate how best value was being achieved by those initiating these contracts, with the procedures requiring the Authority to request two quotations where possible.

For our sample of five contracts selected with aggregated expenditure over four years between £2k and £10k, in one instance the contract had been awarded under an OJEU compliant framework but in the remaining four instances, we were unable to obtain evidence of three written quotations or market evidence of best value as specified in the Authority's procedures.

For our sample of five contracts selected with aggregated expenditure over four years between £10k and £50k, we confirmed that one had been processed following the appropriate completion of a Procurement Waiver Exemption form in line with the Authority's procedures. In the remaining four instances, however, we were unable to evidence that three quotations had been obtained to ensure value for money. We have agreed a medium priority management action to address this area.For our sample of five contracts selected with aggregated expenditure over four years above £50k, we noted that evidence was retained to demonstrate that tenders had been carried out in line with procedures. We also confirmed that where Procurement Waiver forms had been completed, these had been completed in line with procedure and approved in the appropriate manner.

Management of Suppliers

We found that the Authority was routinely completing Approved Supplier Request forms and Approved Supplier Questionnaires to ensure that the appropriate checks had been completed on new suppliers. The Authority has also commenced the use of the Supplier Initiation Document which builds upon the historic Approved Supplier Questionnaire by requesting information in greater depth than that which had been previously requested to ensure alignment with the 2015 Crown Commercial Service regulations, such as grounds for mandatory exclusion and conflicts of interests. We also confirmed that section 6 of the document, Compliance with Equality Legislation is broadly consistent with the 2015 Crown Commercial Service regulation as follows:

'If equality is to be assessed at the supplier selection stage it is recommended that the contracting authority only requires suppliers to self-certify that they comply with equality legislation. The contracting authority should assess any remedial action that has been taken to address any breaches of the legislation that have been noted.' - (Public Contracts Regulations 2015 - New requirements relating to Pre-Qualification Questionnaires to help businesses access Public Sector contracts.)

We also found that for our sample of key suppliers, (those suppliers whose performance materially affects the ability of the Authority to deliver its Vision, Aims and Objectives and whose failure as an organisation could prevent the delivery of important services to the public) we were able to obtain copies of mitigation plans, business continuity plans and financial assessments to evidence that key suppliers were being assessed to minimise the risk of the delivery of the relevant services.

Overall our testing identified two low and two medium priority actions for management, all detailed further within the Action Plan in Section 2.

1.4 Additional information to support our conclusion

Area	Control design*	Compliance with controls*	Agreed actions		
			Low	Medium	High
Procurement	2 (10)	2 (10)	2	2	0
Total			**2**	**2**	**0**

* Displays the number of controls not adequately designed or complied with. The number in brackets represents the total number of controls reviewed in this area.

2 ACTION PLAN

The table below sets out the actions agreed by management to address the findings

Ref	Findings summary	Priority	Actions for management	Implementation date	Owner responsible
Area: Procurement					
1a	At the time of the audit, the Authority did not have the functionality to run a report of all users and their approval limits feeding into the ReqManager system and consequently, there were no arrangements or formal procedures in place for the regular review of procurement related approval limits within the system.	Medium	The Authority has enquired with ISC to establish if a report is available from the system detailing all approval limits. It is not and therefore a system of spot checking limits will be introduced and a cycle of periodically reviewing and checking these.	30/11/2015	Chief Accountant
1b	There is no formalised procedure in place documenting the process for the amendment of approval limits within the Great Plains system, whose approval limits feed directly into the ReqManager system.	Low	The Authority will formalise the process by which amendments to approval limits within the Great Plains system are undertaken and this will subsequently be incorporated into the appropriate Finance policy.	30/11/2015	Chief Accountant

Ref	Findings summary	Priority	Actions for management	Implementation date	Owner responsible
2a	We were unable to obtain evidence of 'best value' for the five contracts we selected below £2k.	Low	The Authority will ensure that all contracts with rolling four year expenditure below £2k will have evidence retained by budget managers to demonstrate how Best Value has been achieved. The Procurement Manager will carry out spot checks on a quarterly basis and maintain a log of those reviewed.	30/11/2015	Procurement Manager
2b	We were unable to obtain evidence of three quotes and/or evidence of best value having been obtained for four of the five contracts selected between £2k and £10k We were also unable to obtain evidence of three quotations having been obtained for four of the five contracts selected between £10k and £50k.	Medium	The Authority will ensure that for all contracts between £2k and £10k a minimum of three quotes and/or market evidence of best value are obtained and retained. In addition for all contracts between £10k and £50k, the appropriate written quotes are received and processed through the Bluelight system for E-Tendering. Alternatively, the Authority will ensure that the appropriate waiver forms are completed and approved in line with the Authority's procedure to ensure value for money is being considered.	30/11/2015	Procurement Manager

3 DETAILED FINDINGS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all audit testing undertaken.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no/N/A)	Audit findings and implications	Priority	Management action
1	The approval limits for Great Plains feed into the ReqManager system and had been developed at local meetings of the Head of Finance, Procurement Manager and the Chief Accountant and uploaded by ISC, the software provider.

The finance team keeps a hardcopy authorised signatory list which is reviewed on a regular basis for accuracy.

There is, however, no routine process in place for the review of approval limits within the Great Plains system to ensure that they are in line with the hardcopy authorised signatory list and therefore still accurate, should any changes be made. | No | NA | We reviewed an email from the Chief Accountant to ISC providing the spreadsheets containing approval limits to be uploaded to the ISC system following initial meetings. Whilst we requested a report of all user limits within the system and any changes to user limits over the current financial year to test the adequacy of the audit trail of approval of new users and changes to approval limits, we were informed that this would have to be requested as an addition to the software package from ISC in order for this to take place. Therefore we were unable to verify the adequacy and accuracy of the approval limits.

There is a risk that the Authority may not be able to have sufficient oversight over the approval limits within the system if they are not available to the Authority in a timely manner.

We also confirmed that there was no formally documented procedure in place for the amendment of approval limits within the Great Plains system. There is a risk that staff may not be fully aware of the process to be undertaken if the procedure is not formally documented.

Furthermore, we confirmed that whilst there was a hardcopy authorised signatory list held by the Finance team which was reviewed on a regular basis, there was no process in place | Medium

Low | The Authority has enquired with ISC to establish if a report is available from the system detailing all approval limits. It is not and therefore a system of spot checking limits will be introduced and a cycle of periodically reviewing and checking these.

The Authority will formalise the process by which amendments to approval limits within the Great Plains system are undertaken and this will subsequently be incorporated into the appropriate Finance policy. |

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no/ N/A)	Audit findings and implications	Priority	Management action
	Additionally, whilst there is an informal procedure in place for the amendment of approval limits within the Great Plains system, there is no formally documented process in place.			for the regular reconciliation of approval limits in the Great Plains system to the reviewed authorisation limit spreadsheet to provide assurance that the limits within the system are relevant and appropriate. There is a risk that the approval limits held within the system may be inappropriate due to possible changes in personnel or changes in post and may not reflect the authority delegated from the budget holders in the hard copy spreadsheet.		
2	The draft Procurement Policy sets out the requirements for quotations as follows: • £0 up to £2k – the principles of best value apply. Where possible, two competitive quotations are to be obtained; • £2k to £10k – a minimum of three written quotations and/or market evidence of Best Value; and • £10k to £50k – three quotations in writing prior to the order being	Yes	No	We selected from the contract register a sample of five contracts with rolling four year expenditure below £2k and in each instance, we were not able to substantiate that the principles of best value had been considered, with no quotations or evidence of best value being obtained. We were advised by the Procurement Manager that the Authority had recently purchased the contract register module for the Bluelight system, which would allow for comments to be noted within the register. We selected from the contract register a sample of five contracts with rolling four year expenditure between £2k and £10k and confirmed that: • In one instance the contract had been awarded under an OJEU compliant Eastern Shires Purchasing Organisation framework and therefore did not require quotations; and	Low Medium	The Authority will ensure that all contracts with rolling four year expenditure below £2k will have evidence retained by budget managers to demonstrate how Best Value has been achieved. The Procurement Manager will carry out spot checks on a quarterly basis and maintain a log of those reviewed. The Authority will ensure that for all contracts between £2k and £10k a minimum of three quotes and/or market evidence of best value are obtained and retained. In addition, for all contracts between £10k and £50k the appropriate written quotes are received and processed through the Bluelight system for E-Tendering. Alternatively, the Authority will ensure that the appropriate waiver forms are completed and approved in line with the Authority's procedure to ensure value for money is being considered.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no/ N/A)	Audit findings and implications	Priority	Management action
	placed. Quotations/tenders should be managed by Procurement through the Authority's e-tendering portal. In exceptional circumstances it may be appropriate to seek approval for failing to obtain the number of competitive quotations detailed in the Authority's Policy. This includes the appointment of a single contractor/supplier of goods, works or services without undertaking the Competitive Tendering Process. Where this is the case, a Procurement Exemption Waiver form is completed, signed by the Procurement Manager, the Head of Finance and is subsequently submitted to the Principal Officer for comments and approval or rejection.			• In the remaining four instances, no evidence of formal quotations were retained. Two of the four instances related to physiotherapy services which we confirmed a draft tender was in place and being worked on by the Authority. We selected from the contract register a sample of five contracts with rolling four year expenditure between £10k and £50k and confirmed that: • In one instance, a Procurement Waiver Exemption form had been completed, with the details of the reasoning of the exemption documented, signed by the Procurement Manager and the Head of Finance and approved by the Principal Officer, in line with the policy; and • In the remaining four instances, we were unable to obtain documentation evidencing that three quotations had been received in writing prior to the order being placed. If the Authority does not obtain quotations in line with procedures, there is a risk that value for money will not be obtained, resulting in potential financial loss.		

APPENDIX A: SCOPE

Scope of the review
To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. The scope was planned to provide assurance on the controls and mitigations in place relating to the following Areas:

Objective of the area under review
An audit to determine progress made since the internal review of expenditure by value and category to consider the framework in place and adherence to rules.

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:
An audit to determine progress made since the internal review of expenditure by value and category to consider the framework in place and adherence to rules. This will be achieved through review of the following:

- Review of revised procurement policies and procedures for the e-procurement system to ensure processes have been documented.
Sample testing of transactions to confirm compliance in the following areas:
- Authorisation in line with delegated limits;
- Quotations obtained and documented as required based on financial thresholds,
- Tenders as required based on financial thresholds, and tendering process followed.
- Establishment, maintenance and management of an approved supplier list/ supplier database.
- Compliance with the Financial Regulations / Standing Orders in relation to obtaining quotations and tenders - review of records maintained.

Limitations to the scope of the audit assignment:

- Testing will be completed on a sample basis from transactions within the current financial year.
- Our work will not provide an opinion on the adequacy of the procurement function or appropriateness of contracts entered into.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

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BAKER TILLY

Cambridgeshire and Peterborough, Essex and Bedfordshire Fire Authorities

Thematic Review - Communications

September 2015

Contents

Section	Page

Auditors	Daniel Harris - Head of Internal Audit Suzanne Lane - Senior Manager Alan Grisley - Assistant Manager
Distribution	Gavin Chambers, Head of Finance / Treasurer (Bedfordshire) Matthew Warren – Director of Resources (Cambridgeshire) Glenn McGuinness - Deputy Director of Finance (Essex)

1   Executive Summary

1.1   Introduction

Baker Tilly provides internal audit services to a number of Fire and Rescue Services. During 2014/15 we undertook a review of Communications at Bedfordshire, Cambridgeshire and Essex Fire Authorities which included a review of the levels of risk and control in place to manage those risks.

In addition to providing a detailed report to each of our clients on their control environment relating to these subjects, this thematic review looks to combine the findings from each of those individual audit assignments. This includes identifying those common controls, any difference approaches, good practice and any areas of common weakness.

The audits were designed to assess the controls in place to manage the following summary objectives and risks:

Summary Objective	To ensure a positive image of the service
Summary Risks	Public and media perceptions of the service may be negatively affected by activities of other services, leafing to reputational damage; Poor internal and external communication could impact staff morale, missing the opportunity to promote the Authority and the excellent work undertaken.

1.2   Conclusion

This Thematic Review does not seek to provide an opinion but to apprise each Authority of the common themes from the series of audits. The following common controls and processes were documented:

Common controls

- Each Authority had a documented Communications Work Plan or similar document in place, detailing the work to be undertaken in relation to communications, individual plans are also drawn up.
- Each Authority had undertaken some form of stakeholder mapping or identification exercise and identified broadly similar stakeholders.
- All three Authorities utilise similar mechanisms for capturing the thoughts and feeding back information for internal users including staff. These included intranets, news bulletins, internal meetings, staff surveys and informal station visits by senior officers to speak to staff.
- Social media featured heavily as part of the communications strategies for each Authority in relation to external stakeholders. This included the use of Twitter and Facebook by all three Authorities. However, the use of Facebook differed between each and this has been highlighted below.
- Each had clear processes identified for the management of information requests, adhering to the 20 day deadline.

Common issues identified

The following issues were identified within two or more the reviews completed. The following common issues were identified:

- Whilst training was not necessarily mandatory within each Authority, we did identify that **media training should be undertaken by those key staff with responsibilities relating to communication outside the organisation,** and maintain a record of those who have completed training and when further refresher training is required.
- **Inconsistencies were identified with regards to the monitoring of all communications plans and projects, including the use of key performance indicators (KPI's)**. All three Authorities may wish to liaise with each other to identify those KPI's they think could be used to formally monitor the overall communications strategy, whilst individual KPI's should be documented for each specific project, aligned to the outcomes expected and required.

- **A public opinion survey could be completed by all three Authorities** to gauge their thoughts on the communications programme as a whole and whether the objectives of the Authority and Service in relation to its relationships with external stakeholders are being met. This could be devised together to identify common questions and themes, and disseminated through several channels.

Issues or good practice identified where cross sharing could be used

- Two of the three Authorites (Bedfordshire and Cambridgershire) reviewed had formal Communication Strategies in place. However, Essex did not have a documented strategy or associated policies and procedures for the external channels of communications. It may be helpful for all three Authoritess to review strategic direction together to identify any instances of good practice from the other.
- One Authority (Essex) utilised four key 'states' for its stakeholders. These were day to day, during a major incident, during industrial action and reduction of service. These states helped to identify all stakeholders and could be considered by the other two Authorites as a means of ensuring all key stakeholders are captured. Cross sharing of stakeholder maps may further enhance each Authority's communication plans.
- Two of the three Authorites (Bedfordshire and Cambridgeshire) utilised a Peer Challenge Review, undertaken by the Local Government Association. This resulted in a report being produced that included actions for improvement. However, we did note that one had not completed such a review and this process may identify improvements in relation to the Authority's communications strategy and processes.
- A review of one Authority (Cambridgeshire) Facebook page identified this as a forum for communications out to the public about initiatives, national news and local work undertaken, including the number of call outs of the previous day and night, key themes etc. This differed from the other two Facebook pages where they were titled as HQ pages. The HQ pages were more used by Service employees and whilst still identifying some of the initiatives, were more used as a means of communicating with employees within the Service and making comments. These pages did not necessarily provide information to external stakeholders.
- Whilst we have not made any recommendations regarding this within any of our reports, all three Authorites may wish to review their social media, determine whether they are using it as intended and communicating as effectively with stakeholders as required.
- Formal governance and reporting structures for communications had been identified at two of the three (Bedfordshire and Cambridgeshire) Authorites with differing models in place. Working groups were used to review implementation of the strategy and individual projects, whilst other governance structures included monthly, six weekly and quarterly performance reports being escalated through the organisation. Essex Fire may wish to collaborate with Bedfordshire and/or Cambridgeshire to identify a suitable governance structure that works best for them and provides assurance over progress of the communications strategy and individual plans.
- We did note the use of Parish Newsletters (Cambridgeshire) to deliver messages and communicate with elderly stakeholders who will not necessarily be captured through the use of new technology and social media. These methods further ensure that mechanisms are in place to effectively communicate with all stakeholders.

Summary of recommendations made

Recommendation Summary
The Head of Communication should develop communication strategies and implementation plans
The Communications governance structure needs to be established.
The Service should ensure there is an appropriate process for managing the Communications Plans for each project implemented.
The Fire Service need to ensure that it has appropriate policies, procedures and/or protocols in place governing the key channels of external communications.
The Service should implement a training needs analysis, identifying which service personnel require communications training, and a training log, to effectively monitor training completion.
The Service should record when media training has been supplied and to whom, and when refresher training is due.
The Service should ensure a guidance document or procedure is developed for processing Freedom of Information requests, to ensure the process is implemented consistently.
Establishment of a mechanism to ensure that in future briefs to staff have been distributed and that any feedback or queries resulting are recorded and addressed as required.
As part of the review of SMT Station visits we would recommend that when devising this due regard is given to including a column on the form to not only record any action that may emanate from the visit but to also record when and how the action has been completed.

1.3   Scope of the reviews

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. When planning the audits, the following and limitations were agreed:

Limitations to the scope of the audit:

This report does not provide an opinion or summary of all findings from the original reviews and should be read in conjuection with the individual audit reports.

Further, this Thematic Review does not provide further assurance over the areas reviewed, but a consolidated report in relation to the findings of all three Authorities.

This report does not replace the need for the Authorities to implement the original recommendations within each of their individual reports.

Our work did not provide any absolute assurance that material error; loss or fraud does not exist.

1.5 Benchmarking

Whilst the above recommendations are a combination of the recommendations made across all four reports, below provides a benchmark for each individual Authority to benchmark themselves against, using the original Audit Report provided.
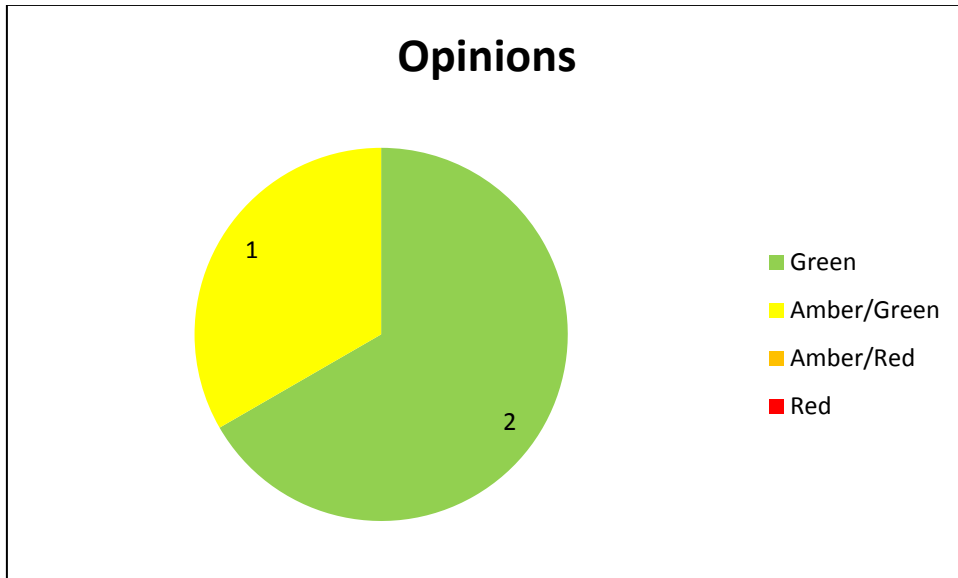
Average Number of Recommendations Made	3

BAKER TILLY

Cambridgeshire and Peterborough, Essex and Bedfordshire Fire Authorities

Internal Audit Thematic Report

Thematic Review - Fuel Cards

21 September 2015

Contents

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Auditors	Daniel Harris - Head of Internal Audit
	Suzanne Lane - Senior Manager
	Alan Grisley - Assistant Manager
Distribution	Gavin Chambers, Head of Finance / Treasurer
	Matthew Warren – Director of Resources (Cambridgeshire)
	Glenn McGuinness - Deputy Director of Finance (Essex)

1 Executive Summary

1.1 Introduction

Baker Tilly provides internal audit services to a number of Fire Authorities. During 2014/15 we undertook a review Fuel Cards at four Authorities (including Bedfordshire, Cambridgeshire and Essex) which included a review of the levels of risk and controls in place to manage those risks.

In addition to providing a detailed report to each of our clients on their control environment relating to these subjects, this thematic review looks to combine the findings from each of those individual audit assignments. This includes identifying those common controls, any differences, good practice and any areas of common weakness.

The audits were designed to assess the controls in place to manage the following objectives and risks:

Objective	To ensure fuel usage is managed and costs kept to a minimum.
Risk	Fuel is purchased for vehicles not owned by the Authority/Service and fuel used for private mileage is not recharged.

1.2 Conclusion

This Thematic Review does not seek to provide an opinion but to apprise each Authority of the common themes from all four audits. The following common controls and processes were documented:

Common controls

- Each of the three Services/Authorities utilised ALLSTAR as it's fuel providers. We did note, however, one Authority was considering testing the market to identify whether better value could be obtained.

- We consistently noted underspends, further work could be undertaken to determine whether the budget set is in fact appropriate.

- Each Authority was maintaining a record of fuel cards maintained and issued. However, this was with varying degrees of consistency and accuracy, as identified within the recommendations within the reports.

- Statements were sent by ALLSTAR, monitored and reconciled. However, again this was with varying degrees of accuracy and challenge.

- Fuel cards for vehicles were issued in similar ways, with cards issued to individual vehicles or to specific Senior Manager for the use of pool cars.

Common issues identified

The following issues were identified within two or more the reviews completed;

- Issues were raised with regards to the **maintenance and completeness of policies and procedures** in relation to the use of fuel cards. This contributed to some areas of non-compliance identified throughout the review due to the lack of clear process documented. In addition, the terms of use were not clear across each organisations, as well as there being little evidence to suggest users had agreed to those terms of use.
- For two of the Authorities reviewed, **discrepencies were identified with the number of fuel cards in use and the number of vehicles assigned.** One Authority had 16 active fuel cards assigned to vehicles that had been disposed of, whilst the other had 22 active fuel cards that had not been assigned to a vehicle due to disposal or the use of lease cars not identided as Service assets.

- Issues were identified within two reports in relation to the **evidence of validation checks between the ALLSTAR statements sent both monthly and annually**. Significant discrepencies were identified within one report around the purchase of diesel by individuals who had cards assigned for petrol vehicles, and vice versa, with little evidence of challenge or scrutiny surrounding this. Whilst no such issues were identified within the other two reports, a lack of evidenced review of statements increases the risk that fuel purchases not in line with procedures could be made and not recharged appropriately.
- Issues were identified within three of the four Authorities reviewed in relation to the **use of premium grade fuel**. Procedures did not clearly identify the requirements for purchasing premium grade fuel and as such it was not clear whether this should have been purchased or not. However the purchase of such fuel does result in higher costs to the Authority which could potentially be reduced.
- Each Authority maintained stocks of bulk fuel, replenished as required from suppliers. Additionally, to monitor fuel usage, dip samples were to be undertaken and compared to fuel logs to maintain a record of usage. However, issues were identified in three out of four Authorities where **inconsistent records of dip sampling were maintained.** Additionally, we further identified an instance where no records were maintained in relation to the use of a fuel depot maintained by the Council, increasing the risk of overcharging.

Issues identified where cross sharing could be used

- We noted differences in the level and quanity of management information and monitoring forums in relation to fuel management. Whilst all Authorities still utilised some elements of paper based fuel management, such as the submission of fuel logs, another Authority utilise the system VECTEC. This system, linked to the onsite fuel storage. can aid in monitoring fuel usage and be used for reporting.

  Whilst KPI's should be identified and performance monitoring should be undertaken by all Authoritess in relation to fuel management, including fuel utilised through ALLSTAR, the use of VECTEC may aid both fuel management and reporting.

Summary of recommendations made

Recommendation Summary	Reflected in how many reports
Policies and procedures should be put in place and maintained up to date to reflect expected practice in relation to purchase of fuel and maintenance of fuel usage records. This includes evidence of acceptance of the terms and conditions associated with the use of fuel cards – a system potentially similar to procurement cards.	**4**
Records of cards, holders and vehicles should be regularly reviewed and maintained up to date to ensure only appropriately active cards are maintained.	**2**
Regular and evidenced **reconciliation** of Allstar statements and records maintained by the Services to ensure accuracy of the charges. These include both monthly and annual statements. This should include a formal review of spend and where required challenge around expenditure.	**3**
Clarity to be sought over the **purchasing of premium fuel** and any circumstances where this is acceptable. This should be reflected within policies and procedures and be scrutinised as part of the monthly statement review.	**3**
Dip checks undertaken on bulk fuel maintained should be clearly evidenced as completed to ensure accuracy.	**3**
The completion and return of **vehicle logs** in line with procedures, and the investigation of variances with logs and odometer readings. Fuel receipts should be maintained so as to ensure reconciliation between Allstar statements and claims can be undertaken.	**3**

1.3   Scope of the reviews

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. When planning the audits, the following and limitations were agreed:

Limitations to the scope of the audit:

This report does not provide an opinion or summary of all findings from the original reviews and should be read in conjuection with the individual audit reports.

Further, this Thematic Review does not provide further assurance over the areas reviewed, but a consolidated report in relation to the findings of all three Authorities.

This report does not replace the need for the Authorities to implement the original recommendations within each of their individual reports.

Our work did not provide any absolute assurance that material error; loss or fraud does not exist.

1.4   Recommendations Summary

The following table highlights the number and categories of recommendations made. The Action Plan at Section 2 details the summary recommendations across all four Authority's, and a summary of the findings that resulted in those recommendations.

Recommendations made during this audit:
Our recommendations address the design and application of the control framework as follows:

1.5   Benchmarking

Whilst the above recommendations are a combination of the recommendations made across all four reports, below provides a benchmark for each individual Authority to benchmark themselves against, using the original Audit Report provided.

Opinion
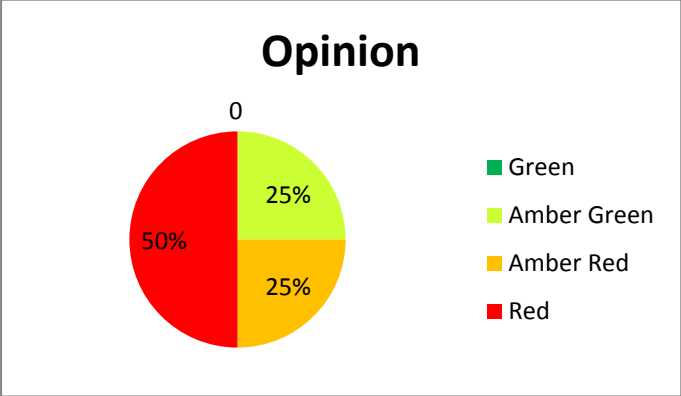
Average Number of Recommendations Made	9

For Publication

REPORT AUTHOR: **CHIEF FIRE OFFICER**

SUBJECT: **AUDIT AND GOVERNANCE ACTION PLANS MONITORING REPORT**

For further information
on this report contact:

Karen Daniels
Service Assurance Manager
Tel No: 01234 845013

Background Papers:

- Action Plans contained in Internal and External Audit Reports
- Action Plan contained in the Annual Governance Statement 2014/15
- Minutes of the Audit Committee dated 5 April 2012

Implications (tick ✓):

LEGAL			FINANCIAL	✓
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	✓
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

Agenda Item 8

Item 8.1

PURPOSE:

To report on progress made to date against current action plans arising from internal and external audit reports and from the Fire Authority's 2014/15 Annual Governance Statement.

RECOMMENDATION:

That Members acknowledge progress made to date against the action plans and consider any issues arising.

1. Introduction

1.1 The Members of the Audit and Standards Committee previously endorsed that the Committee should receive monitoring reports at each of its meetings advising of progress against current action plans arising from internal and external audit reports, and the Authority's Annual Governance Statement.

1.2 In their meeting on 5 April 2012, Members of the Audit and Standards Committee agreed that progress on the action plans be reported to each meeting of the appropriate Policy and Challenge Group and action point owners report progress by exception to the Audit and Standards Committee. This is the third report to the Corporate Services Policy and Challenge Group for the year 2015/16.

2. Monitoring Report of Actions Arising from Internal and External Audit Reports

2.1 The monitoring report of progress made to date against agreed actions arising from internal and external audit reports is attached as Appendix A.

2.2 The monitoring report covers, in order, the following:

- Outstanding actions from internal and external audit reports, including those reports received during 2015/16 and those from previous years, which have a proposal to extend the original completion date.

- Outstanding actions from internal and external audit reports, including those reports received during 2015/16 and those from previous years, which are on target to meet the original or agreed revised completion date.

- Completed actions which are subject to a subsequent or follow up audit. These will remain on the report until this follow-up audit is completed.

- Completed actions that are of a Low risk and do not require a follow-up audit. These will be removed from the report once they have been reported as completed to the Policy and Challenge Group.

- Any actions that have been superseded by new actions. (Actions are removed from the report once they have been reported as superseded to the Policy and Challenge Group.)

2.3   There are no requests to extend the original completion date.

3.   <u>Monitoring Report of Actions Arising from the Authority's Annual Governance Statement</u>

3.1   The monitoring report of progress made to date against actions arising from the Authority's Annual Governance Statement is attached as Appendix B.

3.2   The monitoring report covers the actions within the 2014/15 Annual Governance Statement (if applicable) which was formally adopted by Members of the Audit and Standards Committee, on behalf of the Authority, at their meeting on 25 June 2015, as part of the 2014/15 Statement of Accounts.

3.3   There are no requests to extend the original completion date.

4.   <u>Priority Grades</u>

4.1   The Service Audit Outcomes in Appendix A have a priority grading system. The table below explains the key to the priority grades:

RSM (formerly Baker Tilly & RSM Tenon)	High	Recommendations are prioritised to reflect RSMs assessment of risk associated with the control weaknesses.
	Medium	
	Low	

5. <u>Organisational Risk Implications</u>

5.1 The actions identified within internal and external audit reports and the Annual Governance Statement represent important improvements to the Authority's current systems and arrangements. As such, they constitute important measures whereby the Authority's overall management of organisational risk can be enhanced.

5.2 In addition, ensuring effective external and internal audit arrangements and the publication of an Annual Governance Statement are legal requirements for the Authority and the processes of implementation, monitoring and reporting of improvement actions arising therefore constitute an important element of the Authority's governance arrangements.

PAUL M FULLER
CHIEF FIRE OFFICER

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
FEAT (14/15) 2.1	**Baker Tilly** Nov 14: Final Report (14/15) **Follow up** Jun15: Final Report (14/15)	Fleet & Equipment Asset Tracking Head of Operational Support	High	The Authority should evaluate the use and application of the following possible methods of improving its data capture and the record keeping of its operational equipment: • Produce and implement an improved spreadsheet, this could be an access database that ensures that sufficient information is captured in a consistent form so the information can be easily sorted and filtered as required. • Implement and use the Authority's existing asset management system. • Procure a new asset management system. The Authority should also consider the application of a barcoding system or portal devices to improve efficiency and accuracy enough to justify the additional cost.	A project board and project team has been established to finalise the end user specification and technical specification, and includes representatives from Technical, ICT, Property and Finance. Market research has been conducted and a tender specification will be completed by the project team.	**Original** Mar 16	In Progress
FEAT (14/15) 2.3	**Baker Tilly** Nov 14: Final Report (14/15) **Follow up** Jun 15: Final Report (14/15)	Fleet & Equipment Asset Tracking Head of Operational Support	High	1. The Authority must undertake an exercise to document and ensure that all equipment that requires safety/service checks are recorded and that such checks are not overdue. In order for this process to be completed efficiently and quickly we	1. This work was completed within a few days, no such equipment was found to be requiring safety checks, all items of equipment were recorded on a new spread sheet.		Completed – To be confirmed by follow- up audit

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
Page 60				would strongly recommend the following approach is taken: 2. The Technical Team should produce a data capture spreadsheet based on the required fields within the MIS system. This would allow the information to be captured consistently and possibly allow the software developer to import the data in to the MIS system. 3. The spreadsheet should then be issued to the stations and stores to populate the data about the equipment they hold and then returned to the technical team (The Service has decided not to do this, see Management comment and amend this bullet point) The returned spreadsheets should then be combined into a single central record and securely protected. The records should then be cross referenced back to the paper record to safety inspection reports to ensure that all equipment that requires a safety check has had one in the required time frame. If any exceptions are found, they should be taken out of use until the checks can be completed.	2. Data cleansing continues and will be exported to the new asset tracking system when procured. The 14 station audits of appliances and equipment has now been completed and we are in the process of finalising the population of the cleansed data onto the spreadsheets. 3. Completed and addressed during station audits of operational equipment and appliances. The spreadsheet has now been moved from SharePoint to STEPS. New functionality of the system will ensure stations can access the equipment and update after there testing has been carried out.	**Original** Dec 15	In Progress Completed – To be confirmed by follow- up audit

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
KFC (14/15) 3.2	**Baker Tilly** May 15: Final Report (14/15)	Key Financial Controls Head of Finance & Asset Management & Treasurer to FRA	Medium	A single, centrally-managed Asset Register should be established, which would inform the Asset Working Papers at year-end; and a programme of physical verification of assets should be performed annually per Financial Regulations.	It is planned in the Capital Programme to purchase a software package to centrally manage assets. The current priority is to address the management of the operational equipment and the wider managements of assets will be incorporated into this piece of work too. The Head of Finance and Asset Management has discussed this with RSM (previously Baker Tilly) and this recommendation will be superseded. It has been established, following an internal audit recommendation covering operational equipment, that the management of the operational equipment assets is the priority. Work has progressed on this with the improvement of management spreadsheets and systems. Work has also progressed in reviewing what systems are available specifically for this and site visits to other services have taken place. With this emphasis, this has taken away the perceived urgency for an overarching asset register/system. The Authority's external auditor has not raised any issue with the financial information on assets collated and held for the production of the year end accounts. The physical verification of assets will be taken into account at the 2015/16 year end stage.	**Original** Mar 16	Superseeded – Refer to Progress Report to Date

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Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
					However, as above, the focus is on operational equipment, while also taking into account wider service requirements. The working group meetings on this will include Procurement, Finance, Stores and of course the Technical Team too. Depending on the progress on the working group looking into this, an extension may be required as it is unlikely to be in place by 31st March 2015. As noted above though, this recommendation has been superseded.		
PAR (13/14) 6	**Baker Tilly** Mar 14: Final Report (13/14) **Follow up** Jun15: Final Report (14/15)	Partnerships Head of Strategic Support	Medium	An annual overarching review of partnerships should be performed by the Service and presented to the authority to determine the success of partnerships. The success should include a link to costs and benefits realisation. This review process should also include a gap analysis to determine whether there are any potential emerging partnerships the Service should explore.	An annual review of partnerships was undertaken and presented to the Fire and Rescue Authority at their meeting on 15 July 2015.	**Original** May 15 **Agreed Revised Date** Jul 2015	Completed – To be confirmed by follow- up audit
KFC (14/15) 1.2	**Baker Tilly** May 15: Final Report (14/15)	Key Financial Controls Head of Finance & Asset Management & Treasurer to FRA	Medium	The Service should ensure that all amendments to supplier bank details are verified with a known contact using an existing or independently sourced telephone number.	It was acknowledged that the system has improved since last year; however taking into account this recent recommendation the forms have been amended to improve the controls further.	**Original** May 15	Completed – To be confirmed by follow- up audit

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
FC (14/15) 1.7a	**Baker Tilly** Nov 14: Final Report (14/15) **Follow up** Jun15: Final Report (14/15)	Fuel Cards Head of Operational Support	Medium	To improve control around the fuel reserve log, the Authority need to ensure that: • The spreadsheet is consistently used by each station to prevent illegible records; • The spreadsheet should be maintained via SharePoint, to allow document history to be monitored; • Periodic fuel check or meter readings should implemented on each fuel reserve, to reconcile to the total quantity of fuel held. Records should be updated to demonstrate this has been completed; any discrepancies should be investigated and escalated appropriately.	This is now business as usual and checks are carried out by Workshops on the spread sheet monthly, where any discrepancies are notified back to the relevant station commander for action. The spread sheet is on sharepoint and there is an audit trail of the monitoring of it. **This action is now completed, however at the time of the follow up audit in Feb 2015; this was not due for implementation at the time of the review.**	**Original** Mar 15	Completed – To be confirmed by follow up audit

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Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
FC (14/15) 1.2a	**Baker Tilly** Nov 14: Final Report (14/15) **Follow up** Jun 15: Final Report (14/15)	Fuel Cards Head of Operational Support	Medium	Following the submission of the annual statement from Allstar, the Authority should perform a formal reconciliation exercise to validate that the details on the annual statement agrees to Authority records, especially around those cards that should be cancelled.	At the end of each financial year Transport will undertake formal reconciliation exercise to validate the details on the Allstar annual statement around the cards that should be cancelled against the Authority records. A process has been put in place within workshops that ensures that obsolete cards are disposed of, and cards relating to specific vehicles are cancelled when the vehicle is disposed of. A monthly check on fuel card returns is carried out to validate the use of the card to the correct vehicle/equipment and the correct fuel is being purchased. This ensures that premium fuel (and the associated extra cost) is not purchased. To ensure this process is carried out, emails, briefings and blue bulletin articles were published to all staff. The first annual reconciliation for the fuel statement will take place at year end (April 2015). A monthly reconciliation is completed to ensure the fuel receipts tally with the monthly Allstar statement - this will be checked at year end to ensure all 12 months are accounted for.	**Original** Mar 15	Completed – To be confirmed by follow up audit

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Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2015 from earlier reports)

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
					This action is now completed, however at the time of the follow up audit in Feb 2015; this was not due for implementation at the time of the review.		
FC (14/15) 1.2b	**Baker Tilly** Nov 14: Final Report (14/15) **Follow up** Jun 15: Final Report (14/15)	Fuel Cards Head of Operational Support	Medium	When an Authority vehicle is disposed, or when a member of staff assigned a fuel card leaves the Authority, the Authority need to ensure that Fuel Cards are cancelled and disposed of in a timely manner. Additionally, cards that have expired or been cancelled should be destroyed in a timely manner.	Transport of 1.2a audit outcome will ensure the fuel cards are cancelled and disposed of in a timely manner. A process has been put in place within workshops that ensures that obsolete cards are disposed of, and cards relating to specific vehicles are cancelled when the vehicle is disposed of. **This action is now completed, however at the time of the follow up audit in Feb 2015; this was not due for implementation at the time of the review.**	**Original** Mar 14	Completed – To be confirmed by follow up audit

Monitoring Report of Actions Arising from 2014/15 Annual Governance Statement   (incorporating any actions outstanding from the 2013/14 Annual Governance Statement)

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
1	Medium Term Budget/CRMP	Assurance Statements	Following the general election in May 2015, it is hoped that a multi-year settlement will be provided during 2015/16 for 2016/17 onwards. This will assist in the setting of medium term savings and efficiencies based on the revised forecast budget gap.	The budget process for 2016/17 has commenced, with the relevant budget information and bids template sent out to Budget Managers. Government funding information is expected post the Comprehensive Spending Review announcement in Novermber 2015	2016/17 Budget and Medium Term Plan set in February 2016	In progress

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Monitoring Report of Actions Arising from 2014/15 Annual Governance Statement   (incorporating any actions outstanding from the 2013/14 Annual Governance Statement)

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
2	Review of Authority Effectiveness	All actions from the 2014/15 Review of Authority Effectiveness Action Plan to be completed during 2015/16 and formally reviewed by Members as part of the following year's process	All actions from the 2014/15 Review of Authority Effectiveness Action Plan to be completed during 2015/16 and formally reviewed by Members as part of the following year's process.	A Form of Review of the FRA's Effectiveness Questionnaire was agreed and completed by Members at a facilitated meeting on 28 January 2015. On 12 March 2015, the Audit and Standards Committee considered the outcome of the Review, including any identified areas for improvement, and agreed performance objectives for the coming year.\n\nThe 2014/15 Review of the FRA's Effectiveness and Action Plan for 2015/16 was agreed by the FRA on 31 March 2015 for inclusion in the FRA's Annual Governance Statement, which was agreed to be part of the 2014/15 Statement of Accounts.\n\nA Paper, including recommendations, for the 2015/16 Review of Effectiveness, was submitted to the Audit and Standards Committee on 24 September 2015. At the meeting it was agreed a Form of Review Questionnaire to be completed by Members for discussion at a facilitated annual review meeting of the Fire Authority 27 January 2016.	**Original** Mar 16	In progress

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Monitoring Report of Actions Arising from 2014/15 Annual Governance Statement   (incorporating any actions outstanding from the 2013/14 Annual Governance Statement)

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
3	Information Security	2012/13 & 2013/14 AGS & Assurance Statements	This is a Corporate Project to ensure that the Authority's information is secure and the policy is in line with ISO Standard 27001	The Authority's Information Security project has now been fully implemented across the Service and policy arrangements align with ISO 27001. The project introduced a bespoke software solution bringing together Information Security, Business Continuity including Protective Security and Risk Management. This holistic and joined up approach provided for an integrated solution in managing critical information and information assets in a structured framework which are supported by new policies and procedures. The Information Security Project will be signed off by the next Programme Board scheduled for 11th March 2016.	**Original** Mar 15 **Agreed Revised Date(s)** 30 Nov 15	Completed

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
26 November 2015
Item No. 9

REPORT AUTHOR: **HEAD OF FINANCE/TREASURER**

SUBJECT: **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2015/16 AS AT 30 SEPTEMBER 2015**

For further information   Gavin Chambers
on this Report contact: Head of Finance/Treasurer

Background Papers: 2015/16 Budget setting papers, the 2015/16 Budget Book and previous budget monitoring reports.

Implications (tick ✓):

LEGAL			FINANCIAL	✓
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known		CORE BRIEF	
	New		OTHER (please specify)	

Any implications affecting this report are noted at the end of the report.

Item 9.1

PURPOSE:

To inform the Corporate Services Policy and Challenge Group (CSP&CG) of the forecast year end budget monitoring position as at 30 September 2015.

RECOMMENDATION:

That the CSP&CG consider the report and the forecast outturn.

1.   Introduction

1.1   On 19 February 2015, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2014/15 of £28.862m and a Capital Programme of £1.518m.

2.   Revenue Budget Monitoring

2.1   A full subjective analysis of the Revenue Budget can be found on page 15 of the 2015/16 Budget Book.

2.2   The funding of the 2015/16 Revenue Budget is by way of Government Funding £8.971m, local Business Rates redistribution £2.118m and Council Tax of £17.264m. There is also funding from a Collection Fund surplus of £0.509m.

2.3   Forecasting Outturn:

2.3.1   Table 1 below is achieved by using the spread sheet returns that Corporate Management Team (CMT) members submit to the Finance Team and also through the meetings that Finance Officers have with CMT members. The forecast outturn positions are as accurate as the information received from each CMT member.

2.3.2   Table 1 below details the current budget excluding salary budgets, for each CMT service area. The forecast year end outturn is shown in column five, with the variance and RAG (red, amber, green) status shown in columns six and seven.

Table 1: 2015/16 Revenue Budget Forecast Outturn (excluding salary budgets)

Title	Actual 2014/15 £'000	Current Budget £'000	YTD Actuals £'000	Fcast yr end outturn £'000	Variance £'000	RAG status (see note below**)
Strategic Management	53	102	26	102	0	Green
Head of Operations	914	805	413	805	0	Green
Head of Operational Support	669	836	301	817	(19)	Green
Head of Community Safety	209	189	76	189	0	Green
Human Resources Manager	214	348	73	348	0	Green
Head of Strategic Support	1,146	1,379	522	1,399	20	Green
Head of Safety and Special Projects	7	6	2	6	0	Green
Head of Training and Development	402	598	160	598	0	Green
Head of Finance and Treasurer	3,291	3,727	993	3,715	(12)	Green
Total	**6,905**	**7,990**	**2,566**	**7,979**	**(11)**	

**RAG Status: Red would identify where there is a large overspend equal to or greater than £100,000 and/or a key service aspect was not being delivered. Amber would identify where there is a possibility of an overspend and/or a key service aspect may not be delivered. It may be that there are action plans in place to address an issue, where until they are successful it is flagged as Amber. Green identifies where service delivery is being performed and as above, where there are underspends. Underspends are not necessarily always green, if for example, there was a key service aspect not being delivered causing the underspend, it would be shown as Red.

2.3.3 The main areas of over/underspends identified in Table 1 are noted below:

No major variances to report.

The forecast surplus under the Head of Operational Support is as a result of the reduction in revenue spend on the leases of 3 Fire Appliances which comes to an end in November 2015.

The forecast overspend against budget within the Head of Strategic Support area is as a result of printing charges. Further work is on-going to see if the costs can be mitigated within existing budgets. The low year-to-date actuals shown within the Head of Strategic Support area in table one are mainly associated with computer hardware and software costs relating to various corporate projects. The current plans show that this allocated money will be spent and that these areas will show a zero (£0) variance at year end.

The New Dimensions Grant that is received from the DCLG under the budget of the Head of Training and Development will be £20k lower than in previous years. The DCLG has revised their figures. It is anticipated that this reduction in grant will be managed within existing budgets. This will be realigned in the 2016/17 budget setting process.

The forecast surplus under the Head of Finance/Treasurer is as a result of the Section 31 Grant that reimburses authorities from the impact of tax changes incurred under the business rate retention schemes. This is £48,000 higher than estimated. This grant payment concerns the changes announced in the 2012, 2013 and 2014 Autumn Statements. This is offset by forecast overspends in relation to Property services received of £20,000 and reduced rental income on vacant properties of £16,000.

The low year to date position for Community Safety in Table 1 above (£35,000 YTD) does not reflect the committed spend within this area (£68,000 in the smoke alarm budget already committed), plans are also in place to utilise the budgets fully and it is anticipated that there will be no underspend within these budgets at the end of the financial year. Other plans include work on-going with Strategic Support to use more accurate data which will enable the service to more specifically target households and increase the level of assistive technology, this will include Cold Alarms and Heat Alarms.

Within the position to date in table 1 above the HHR year to date position does not reflect the forecast spend on earmarked reserves which will be used to partially offset the increase in costs associated with the HR project (see 3.4.1 below) or the forecast spend on consultancy costs associated with the changes to Firefighters pensions that have recently happened. There are also various costs associated with Occupational Health Software that will be paid for towards the end of the financial year.

2.3.4   With the salary budgets being such a large proportion of the overall budget, the split from the budgets above is justified.

Table 2: 2015/16 Salary Budget Forecast Outturn

Title	Actual 2014/15	Current Budget	YTD Actuals	Forecast year end outturn	Variance
	£'000	£'000	£'000	£'000	£'000
Whole-time	13,090	13,052	6,420	12,962	(90)
Control	1,005	896	470	886	(10)
Retained	1,759	1,938	847	1,818	(120)
Non Uniform/Agency	4,752	4,912	2,400	4,870	(42)
Total	**20,606**	**20,798**	**10,137**	**20,536**	**(262)**

2.3.5   The main areas of over/underspends as identified in Table 2 above are as follows:

The Firefighters pay award was budgeted at 2%. This has now been agreed at 1%, therefore the above underspend of £248,000 includes £120,000 apportioned across Wholetime, Control and Retained is as a result of this lower than budgeted pay award. This will have a positive knock on impact in the Medium Term Revenue Programme (MTRP) too. As a result of the addition of the HR Systems project £74,000 of this underspend will be used to increase the funding of the project.

The underspend reported in Non Uniform/Agency is as a result of vacancies within the Training Centre (£25k) and part year vacancy within Strategic Policy (£10,000) and £7,000 within Finance.

The Retained Duty System (RDS) project has so far identified an under spend of (£120,000) in 2015 with work on-going to identify further savings and this will be reported in due course following further work and analysis. Due to the addition to the Capital programme of £74,000 for the HR Systems project (see 3.4.1 below) £74,000 has been vired from the retained budget in order to support this expenditure.

The review of this area is currently part of a project that links into the Capital Programme scheme on RDS shown below in Table 3. As detailed in the savings and efficiencies plan, £127,000 will be removed from the retained salary budget in 2016/17 as part of the savings/efficiencies associated with the project work. This project is funded by the DCLG Transformation Capital funding following the successful bid in 2015.

2.4   **Total Forecast Outturn, Salary and Non Salary:**

2.4.1   The total forecast underspend including both the non-salary figure in Table 1 above and pay and on costs, including agency staff shown in Table 2, is an underspend of (£273,000).

2.4.2   The planned savings and efficiencies that were approved as part of the 2015/16 budget are attached at Appendix 1. All for 2015/16 are showing as Green, as they are currently on target for completion by the year end. The savings and efficiencies in 2016/17 will be revisited again as part of the budget setting process.

3.   Capital Programme Monitoring

3.1   Table 3 below is a summary of the Authority's 2015/16 Capital Programme. The Red, Amber, Green (RAG) status indicates how well the schemes are progressing (Green being on target for year-end completion within budget; Amber indicating possible slippage or overspend; and Red indicating actual slippage/overspend or deletion of the scheme).

Table 3: The 2015/16 Capital Programme

Scheme	Revised Budget 2015/16	Forecast Outturn	Variance	Slippage	RAG status
	£'000	£'000	£'000	£'000	
IT Virtual Desktop Infrastructure (VDI)	175	175	0	0	Green
Replacement Telephony System (continued from 2014/15)	127	127	0	0	Green
Capital Works - Service Wide	80	80	0	0	Green
Breathing Apparatus Calibrator	11	11	0	0	Green
Replace Defibrillators	10	10	0	0	Green
Thermal Imaging cameras	55	0	0	55	Red/ slippage
Replace Decontamination Shelter	9	9	0	0	Green
Fitness Equipment Expenditure	8	8	0	0	Green
HR System Project	207	207	0	0	Amber
Retained Duty System (RDS) pagers	180	180	0	0	Green
Vehicles	911	911	0	0	Green
Generators/UPS	40	40	0	0	Green
Total	**1,813**	**1,758**	**0**	**55**	

3.2   It should be noted that the Vehicles Capital Programme needs to be treated with fluidity as the costs and expected build dates can vary considerably. However, in accordance with the financial regulations, any significant changes of expenditure over 10% of an approved capital scheme need to be reported back to the FRA.

3.3   **Capital Programme – Withdrawals:**

3.3.1 None to report this month.

3.4 **Capital Programme – Additions**

3.4.1 There is one addition this month and this is the additional funding for the HR System project which was agreed at the FRA meeting on 21 October 2015. This project had £100,000 allocated to it from a prior year's approved Capital Programme and further revenue funding of £32,500 has been earmarked. After further work it was identified that there was a need for a further £74,000 funding as a result of new and continued work pressures on the HR Team, additional support is required to run this key project. The additional funding of £74,000 is to be funded from the in-year salary underspend.

3.5 **Capital Programme – Variations:**

3.5.1 None to report.

3.6 **Slippages:**

3.6.1 The spend on Thermal Imaging Cameras has slipped from 2015/16 into 2016/17 as a result of the service awaiting developments in technology which potentially will offer a better operational solution but this will not be known until 2016/17.

PAUL FULLER **GAVIN CHAMBERS**
CHIEF FIRE OFFICER **HEAD OF FINANCE/TREASURER**

Ref	Savings/Efficiencies	£ 2015/16	£ 2016/17	£ 2017/18	£ 2018/19
	Transformational Savings and Efficiencies 2015/16 to 2018/19				
	Existing from previous budget processes but with revised figures:				
1	The continued budget reductions following the previously approved removal of 24 Wholetime station-based posts through revision to Wholetime Shift Duty System.	70,000	263,000	157,000	
2	Predominantly Non Firefighter establishment restructures and reductions	170,000	119,000	18,000	
3	Establishment reductions through efficiencies introduced by IT processes (The Service Transformational Efficiency Programme - STEP)		75,000		
4	Net impact from the removal of a Senior Operational Manager post. Already approved, this is the Assistant Chief Fire Officer post	70,000			
5	Implement Development rates of pay for all Grey Book staff. For defined period on appointment to new role through introduction of validated systems of competence assessment for all roles	30,000			
6	Improved Retained Duty System crewing availability. Enabled by the funding of the project and hardware through the successful DCLG bid		127,000		

7	Review of Flexi Duty Officer posts and operational rota	280,000	37,000		
	New additions for the 2015/16 Budget process:				
8	Anticipated savings from reductions in Insurance charges			10,000	10,000
9	Increase in houses income		3,000		
10	Cessation of flu vaccines	1,000			
11	Disclosure and Barring Service (DBS) checks - reduction in budget as applying re-checks to specific groups only	7,000		5,000	
12	Community Safety: review of the Protection Risk Based Inspection Programme		40,000		
13	Potential for sharing Fire Investigation Service				7,000
	Total	**628,000**	**664,000**	**190,000**	**17,000**

For Publication

REPORT AUTHORS: **CHIEF FIRE OFFICER AND TREASURER**

SUBJECT: **TREASURY MANAGEMENT – MID-YEAR REVIEW REPORT TO 30 SEPTEMBER 2015**

For further information
on this Report contact:

Mr G Chambers
Head of Finance and Treasurer
Tel No: 01234 845016

Background Papers:

Treasury Management Strategy 2015/16, as detailed in the Budget Book 2015/16.

Implications (tick ✓):

LEGAL		FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	
ORGANISATIONAL RISK		CORE BRIEF	
		OTHER (please specify)	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To provide an update on the Authority's Treasury Management to 30 September 2015.

RECOMMENDATION:

That the Corporate Services Policy and Challenge Group consider the report.

1. <u>Introduction</u>

1.1 Since 1 April 2006, the management of the Fire and Rescue Authority's (FRA) Treasury operations has been undertaken by the Authority's Finance staff. Treasury management activities are undertaken with the objective of maximising return/minimising cost, consistent with minimising risk. When investing, the over-riding principle is the maintenance of the capital sum.

In order to support this function, the Authority also employs Capita Asset Services to provide independent, professional treasury advice.

1.2 The FRA's banking facilities are also arranged and monitored by the Finance staff.

1.3 The FRA adopted the Code of Practice for Treasury Management in the Public Services published by the Chartered Institute of Public Finance and Accountancy (CIPFA), introduced in April 2004 and revised in November 2011. One of the requirements of the CIPFA Code is for there to be regular reports on Treasury Management to be presented to the appropriate 'committee'. This is the mid-year Review Report for 2015/16 to 30 September 2015.

1.4 The Policy and Challenge Group is asked to note the report, as there are no changes requested to the Prudential Indicators, approval is not required by the FRA.

2.   Treasury Management Reports

2.1   This mid-year review report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Authority's capital expenditure (prudential indicators);
- A review of the Authority's investment portfolio for 2015/16;
- A review of the Authority's borrowing strategy for 2015/16;
- A review of any debt rescheduling undertaken (if applicable) during 2015/16;
- A review of compliance with Treasury and Prudential Limits for 2015/16; and
- An economic update for the first six months of 2015/16.

3.   Treasury Management Training

3.1   The Responsible Officer (the Section 151 Officer) must ensure that Group/FRA Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

3.2   Training was last provided to Members by our Treasury Advisor's, Capita on 27 June 2013 as part of the Members Training Day. Further training will take place on 4 November 2015.

4.   Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy Update

There are no policy changes to the TMSS, the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

5.   Borrowing/Investment Strategy for 2015/16

5.1   It was anticipated at the beginning of 2015/16 that the Authority would have surplus funds available for short-term investment, either within its Special Interest Bearing Account (SIBA) at its bankers or through the money market. As at the 30 September 2015 the SIBA account is paying a rate of 0.25%.

5.2 The Authority's call-account with Barclays Bank has been used during 2015/16 at a rate of 0.15% per month plus an extra 0.30% annual bonus, to be paid in December, irrespective of balance.

5.3 This Authority had also placed surplus funds into a 95-Day Interest account with Santander. This is through Capita Agency Treasury Services and is at a rate of 0.60% for a minimum of £2M. However, 95 day notice has been given and the £2M is expected back in January 2016.

5.4 Santander are offering an attractive rate for a 95-Day Interest account direct with them (not via Capital Agency Treasury Services). During October we have set up an Account with Santander and will be placing funds at a rate of 0.90%.

5.5 Although we had not anticipated at the start of the year, during the first half of 2015/16 one Investment was made to a foreign bank, Qatar National Bank, for a fixed term of one month. This was due to reaching our maximum investment limits with other counterparties. This was through Capita Agency Treasury Services and adhered to our Treasury Management Practices.

5.6 During the second half of 2015/16 this Authority will be considering using Money Market Funds for short-term investments. Operators use the credit ratings agencies which lay down investment restrictions to enable the funds to maintain its AAA status. Money Market Funds may also be governed by the Institutional Money Market Fund Association (IMMFA) which is a voluntary code of practice issued in 1992 by a trade body for Money Market Funds. This ensures all members offer a consistently high quality product by promoting best practice, transparency of fund values and a standardised format for published data.

5.7 Borrowing has not been undertaken in 2015/16 to finance the Capital Programme. The funding for the 2015/16 Capital Programme was through Grant and revenue contributions.

6. Interest Rate Movements During 2015/16

6.1 Bank base rate was 0.50% at the beginning of the year and as at 30 September 2015 remained the same. There is still some uncertainty as to whether the Bank of England will raise rates, although most analysts suspect it will be mid-late 2016.

6.2 Interest rates applicable to temporary investments were short-term money market rates. These investments were fixed for a set period (between one month and one year), at a greater interest rate than bank base rate. During the first six months of 2015/16, three investments have been re-invested, upon maturity, one in April of £1.8M, one in May for £1.4M and another in August for £1M. Additionally another three new investments were placed, one in May of £1.5M, one in July of £2.5M and one in August of £1M.

When placing these, a number of factors were considered, including cashflow, security, return etc. in order to meet our Policies and at the same time get the best return.

7. <u>Investment/Borrowing Operations</u>

7.1 **Investments:**

Surplus cash is invested on a temporary basis through the money market. Levels of investment have varied from £10M at the start of 2015/16 to £11M as at 30 September 2015. In the year 2015/16 to 30 September 2015, £14,855 interest has been generated through these investments and through the local SIBA account, Santander and Barclays Accounts. Interest on PWLB borrowings totals of £211,587 was paid on 30 September, this will give a net interest paid position of £196,732 as at 30 September 2015.

7.2 The FRA's budgeted investment return (interest receivable) for 2015/16 is £99,400.

7.3 **Long-Term Borrowing:**

No debt rescheduling was undertaken during the first six months of 2015/16.

7.4　**Borrowing and Investments Outstanding:**

	Temporary Investments £000s	Long-Term Borrowing £000s
Outstanding at 1 April 2015	10,000	10,087
Raised	9,200	0
Repaid	(8,200)	0
Outstanding at 30 September 2015	**11,000**	**10,087**

8.　<u>Prudential Indicators</u>

8.1　Under the prudential code the following Treasury Management indicators were set for 2015/16:

Authorised Limit for external debt	£12.2M
Operational Boundary	£10.3M
Limits for fixed interest rate exposure:	
Upper limit	£292,000
Limits for variable interest rate exposure:	
Upper limit	£97,000

8.2　Neither the authorised limit nor the operational boundary has been exceeded during the year compared to the limits as at 1 April 2015. Actual interest rate exposure was as below:

Fixed interest rate exposure	£39,346
Variable interest rate exposure	£39,346

8.3　All the Prudential Indicators have been summarised for Members benefit in Appendix 'A'.

9. <u>Performance Measurement</u>

9.1 The success of cash flow management, and hence the Fire Authority's temporary investment and borrowing activity, is measured by comparing the actual rates of interest achieved and borne against a benchmark of the average Local Authority 7 Day Rate.

9.2 For the period ending 30 September 2015, the average interest rate achieved from temporary investments, the SIBA Account, Barclays Account and Santander 95 Day Account was 0.73%, higher than the average Local Authority 7 Day Rate over the same period of 0.36%.

9.3 At a recent meeting with our Treasury Consultants, Capita, it was commented that our Treasury Team had produced a very good average investment rate despite the current economic climate, resulting in limited counterparty flexibility.

10. <u>General Economic Conditions</u>

10.1 In brief, the first six months of this financial year has seen:

- Interest rates remain at a constant level of 0.5%.

- Inflation – Target Inflation (CPI) was at 0.00% on 1 April 2015 and at 0.00% by 30 September 2015 (0.00% change). Headline Inflation (RPI) was at 1.0% on 1 April 2015 and at 1.1% by 30 September 2015 (0.10% change).

10.2 **Economic Performance to Date:**

UK. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y). Growth is expected to weaken to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme, although the pace of reductions was eased in the May Budget. Despite these headwinds, the Bank of England August Inflation Report had included a forecast for growth to remain around 2.4 – 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero over the last quarter.

Investment expenditure is also expected to support growth. However, since the report was issued, the Purchasing Manager's Index, (PMI), for services on 5 October would indicate a further decline in the growth rate to only +0.3% in Q4, which would be the lowest rate since the end of 2012. In addition, worldwide economic statistics and UK consumer and business confidence have distinctly weakened so it would therefore not be a surprise if the next Inflation Report in November were to cut those forecasts in August. The August Bank of England Inflation Report forecast was notably subdued in respect of inflation which was forecast to barely get back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.

There are therefore considerable risks around whether inflation will rise in the near future as strongly as had previously been expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as was being forecast until recently, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.

USA. The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015. While there had been confident expectations during the summer that the Fed. could start increasing rates at its meeting on 17 September, or if not by the end of 2015, the recent downbeat news about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Fed's decision to pull back from making that start. The nonfarm payrolls figures for September and revised August, issued on 2 October, were disappointingly weak and confirmed concerns that US growth is likely to weaken. This has pushed back expectations of a first rate increase from 2015 into 2016.

EZ. In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This already appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

11.	Economic Forecast – (September CityWatch)

The Authority's Treasury Advisers, Capita Asset Services, have provided the following forecast:

	End Q4 2015	End Q1 2016	End Q2 2016	End Q3 2016	End Q4 2016	End Q1 2017	End Q2 2017	End Q3 2017
Bank Rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%
5yr PWLB rate	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%
10yr PWLB rate	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%
25yr PWLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%
50yr PWLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%

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CHIEF FIRE OFFICER							**TREASURER**

Prudential Indicator	2015/16 Indicator £000	Up to 30 September 2015 Actual £000
Capital Financing Requirement (CFR)	10,393	N/A at mid year
Gross borrowing	10,087	10,087
Investments as at 1/4/15 and 31/09/15	10,000	11,000
Net borrowing	87	-913*
Authorised limit for external debt	12,200	12,179
Operational boundary for external debt	10,300	10,279
Limit of fixed interest rates based on net debt	289	177
Limit of variable interest rates based on net debt	96	59
Principal sums invested > 365 days	0	0
Maturity structure of borrowing limits:		
Under 12 months	0%	0%
12 months to 2 years	0%	1%
2 years to 5 years	1%	0%
5 years to 10 years	0%	0%
10 years and above	99%	99%

*Note:

This negative figure is a result of cashflow timing. We are not expecting to have a Net Borrowing surplus as at 31st March 2016.

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
26 November 2015
Item No. 11

REPORT AUTHOR: **HEAD OF STRATEGIC SUPPORT**

SUBJECT: **ANNUAL ICT SHARED SERVICE USER SURVEY**

For further information
on this Report contact:

Alison Ashwood
Head of Strategic Support
Tel No: 01234 845015

Background Papers: Quarterly Performance Report – ICT Performance Indicators

Implications (tick ✓):

LEGAL		✓	FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known		OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE

To report the outcome of the annual ICT Shared Service User survey conducted in Q2 2015/16.

RECOMMENDATION

That Members consider the outcome of the ICT Shared Service User Survey and note the areas of improvement and focus of further analysis.

1.   Background

1.1   The ICT survey is an opportunity for users to share their views on a number of ICT related subjects including the quality of ICT services, accessibility to ICT support, communications arrangements, expertise, availability of systems and hardware. It provides a snapshot of user perception and assists in planning and targeting areas for improvement.

1.2   The questions are grouped to ascertain an overall user perception of the following areas:

- A general view of the ICT Shared Service
- Support and delivery arrangements
- Performance and availability of ICT systems and support
- Capability of ICT in supporting the Service
- Know-how and training

1.3   In 2010 the first ICT user survey was conducted to inform the implementation of the ICT Strategy. A further ICT User Survey was conducted in 2014 to benchmark user opinions following the inception of the ICT Shared Service. This survey is now undertaken annually using a common set of questions and forms part of the ICT performance reporting arrangements.

1.4   The outcomes of past surveys have led to a number of activities including a targeted programme of quarterly on-site ICT support at retained stations, an increase in ICT support availability, improved resilience and targeted interim hardware replacement.

2.   ICT Shared Service User Survey 2015

2.1   The ICT Shared Service User Survey 2015 was conducted during July and August completing on 4 September 2015.

2.2   The survey received 113 responses equating to 19% return of the total user base. Views from both support staff and wholetime operational staff were represented in the returns, however there were no returns received from our retained duty users.

2.3   The report attached at Appendix A summarises the scores received to each question asked and a comparison with previous surveys.

2.4   This initial analysis of the returns indicates a general positive view of the ICT systems and support and overall improvement on the 2014 survey with the majority of the average scores above or close to the median.

Highlights include communication with the ICT Service Desk, the technical competence of ICT support, and helpfulness.

2.5   Areas where the score was under the median include general reliability of ICT systems, the speed of ICT systems, accessibility of the Service Desk and support to the Service's strategic objectives.

3.   Summary and next steps

3.1   Whilst there was a general positive view of ICT it is clear that the reliability and speed of ICT systems is the focus of negative comments. A recent review of the use of ICT at wholetime stations undertaken as part of the Virtual Desktop Infrastructure has identified that the problems lie in the current terminal services technologies. The Virtual Desktop Infrastructure will replace this technology and is expected to improve users' experience in terms of consistency, reliability and speed. Video streaming will be possible giving direct access to training materials on the operational LearnPro system, the versions of the main Office suite of software, for example word, excel, powerpoint, will be consistent negating the need for providing backward compatibility of documents, and software upgrades will be managed centrally avoiding multiplicity of downtime across the service. The roll-out of VDI is expected to begin at the end of December. Wholetime stations are the focus of the first tranche of user migration followed by retained station users. The wider roll out is expected to be completed towards the end of September 2016.

3.2   The detailed analysis of the ICT Survey user comments is now being completed with actions arising from this analysis being incorporated into the ICT Shared Service programme of work. This programme of work has oversight by the ICT Shared Service Board. Additionally the operations of the ICT Shared Service incorporating actions arising from the ICT Survey are reviewed annually as required by the ICT Shared Service Agreement (Schedule 4).

ALISON ASHWOOD
HEAD OF STRATEGIC SUPPORT

BEDFORDSHIRE FIRE AND RESCUE SERVICE

ICT Shared Service Survey

Analysis of Responses

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Uncontrolled Document – valid only at time of printing 15/03/2017

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ICT Shared Service Classification: Internal and External Document
Uncontrolled Document – valid only at time of printing 15/03/2017

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1 Introduction

1.1. The following report is an analysis of the responses received from the ICT Shared Service User Survey carried out within Bedfordshire Fire and Rescue Service (BFRS) during July and August 2015. Survey Questionnaires were sent to all BFRS staff by email with the option for a paper copy if requested. There were no requests for paper copies. The purpose of the survey was to understand how much user satisfaction there is in relation to the ICT support and to enable a comparison with previous surveys.

1.2. The report summarises the scores received to each question asked and also provides an analysis of the comments received both as general comments and comments to individual questions.

1.3. The analysis of comments involved grouping questions from the survey together to gain a perception amongst users to the various ICT areas. Questions were grouped together to ascertain the users perception of the following:

- General View of ICT Service
- ICT Support Service Delivery
- Performance & Availability of ICT systems & support
- Capability of ICT to Support BFRS
- Training

1.4. The analysis within this report aims to provide a snapshot of the current user perception of the ICT Shared Service function. It should also assist in targeting areas for improvement, that would improve the user perception, and as a result the actual service delivered to BFRS by the ICT function.

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2 Executive Summary

2.1. The analysis outlined in this report needs to be considered with some perspective. The survey received 113 responses equating to approximately a 19% return based on a user base of 585. As such the resulting analysis only represents the views of this 19% and may not in any way represent a balanced view. It should be noted that we had no responses from retained staff.

2.2. The analysis of the scores to all questions generally indicated a positive view of the ICT systems and support. The majority of the average scores were close to the median and with few exceptions.

2.3. The main areas for improvement indicated by the questions receiving the lowest scores were speed of ICT systems, inability to contact ICT and ICTs support of BFRSs strategic objectives.

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3   Survey Results

3.1   Individual Question Scores

Key: - Level of agreement to the following statements on a scale of 1 to 7 where 1 indicates "Strongly Disagree", 7 indicates "Strongly Agree" and 4 indicates "Neither agree or disagree".

3.1.1   Question 1 – The ICT service is important to you

The ICT service is important to you
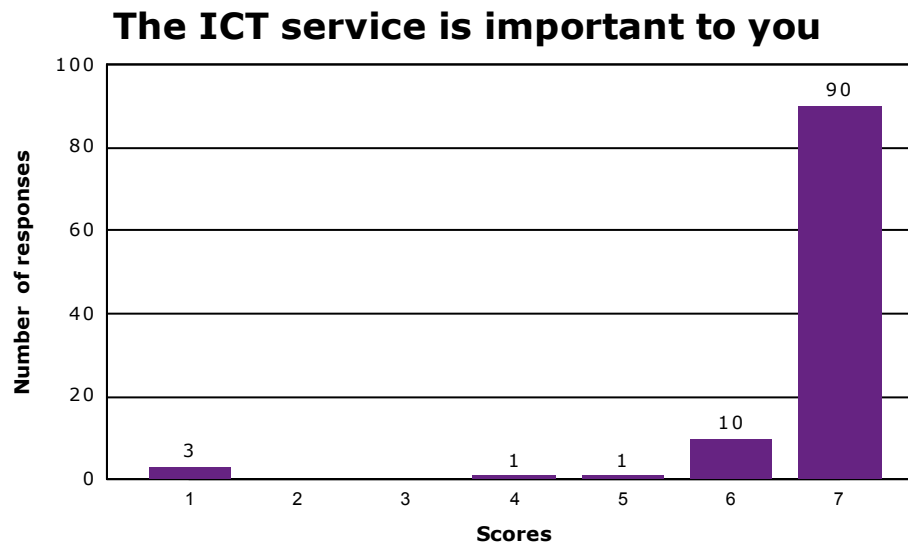
The average score for this question was 6.69 which would indicate that ICT is very important to the large majority of BFRS staff.

	2010	**2014**	**2015**
Average score	6.5	6.37	6.69

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3.1.2 Question 2 – The ICT systems are available when you need them

The ICT systems are available when you need them
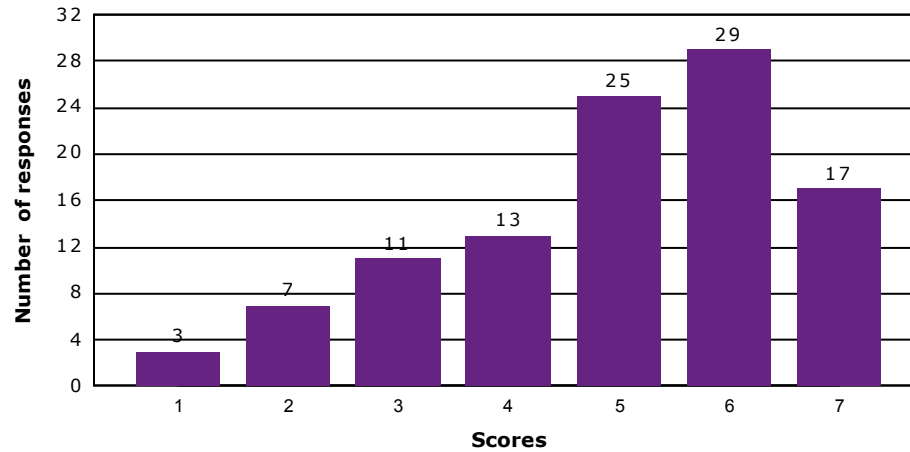
The average score for this was 4.95 which is a positive score for this question.

	2010	**2014**	**2015**
Average score	4.4	4.49	4.95

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3.1.3 Question 3 – The ICT systems are generally reliable

The ICT systems are generally reliable
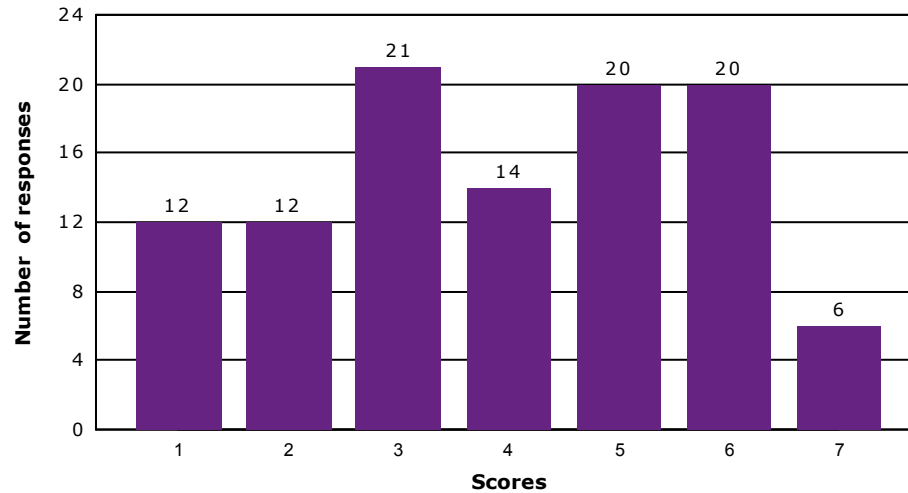
The average score received for this question was 3.97, which was just under the median score. This suggests that the reliability (or perceived reliability) is an issue.

	2010	**2014**	**2015**
Average score	4.0	3.68	3.97

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3.1.4 Question 4 – The speed of the ICT systems you use is acceptable

The speed of the ICT systems you use is acceptable
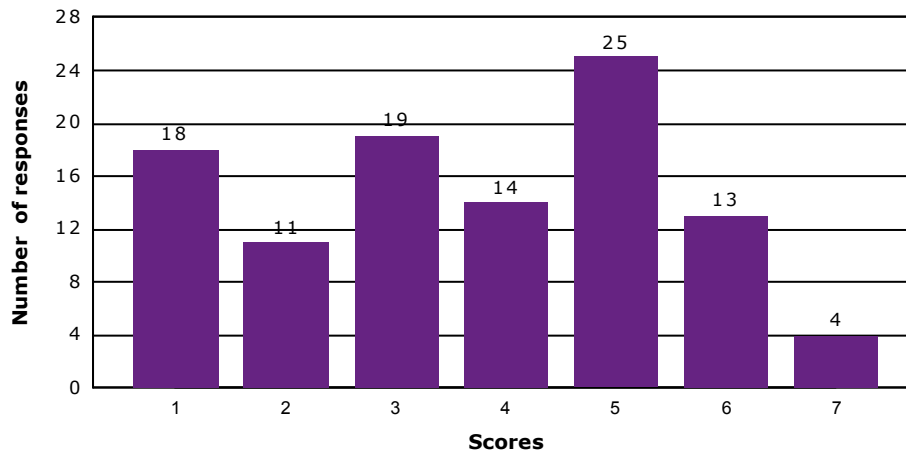
The speed of the ICT systems is clearly an issue with a large percentage of respondents marking the speed as unacceptable.

	2010	**2014**	**2015**
Average score	3.5	3.32	3.69

ICT Shared Service Classification: Internal and External Document
Uncontrolled Document – valid only at time of printing 15/03/2017

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3.1.5 Question 5 – You have had sufficient ICT training on the systems you use

You have had sufficient ICT training on the systems you use
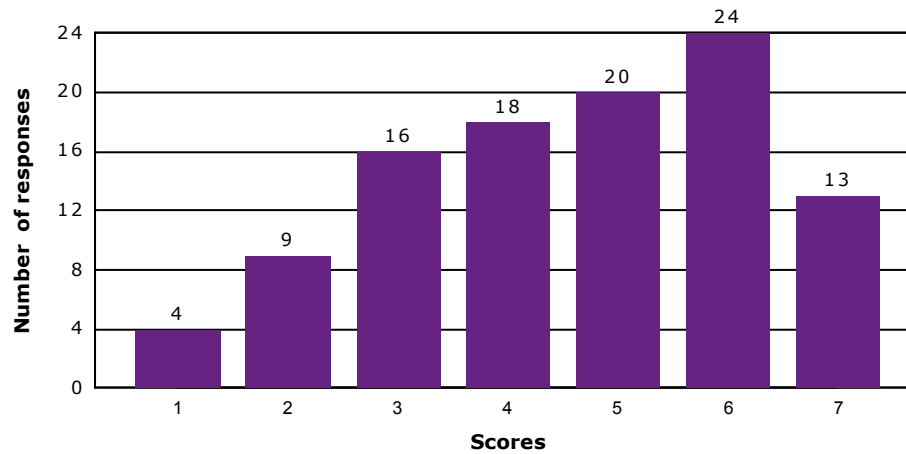
The average score for this question was 4.59 with more respondents indicating a positive score.

	2010	**2014**	**2015**
Average score	4.0	4.3	4.59

ICT Shared Service Classification: Internal and External Document
Uncontrolled Document – valid only at time of printing 15/03/2017

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3.1.6   Question 6 – The ICT team responds to your problems quickly

The ICT team responds to your problems quickly
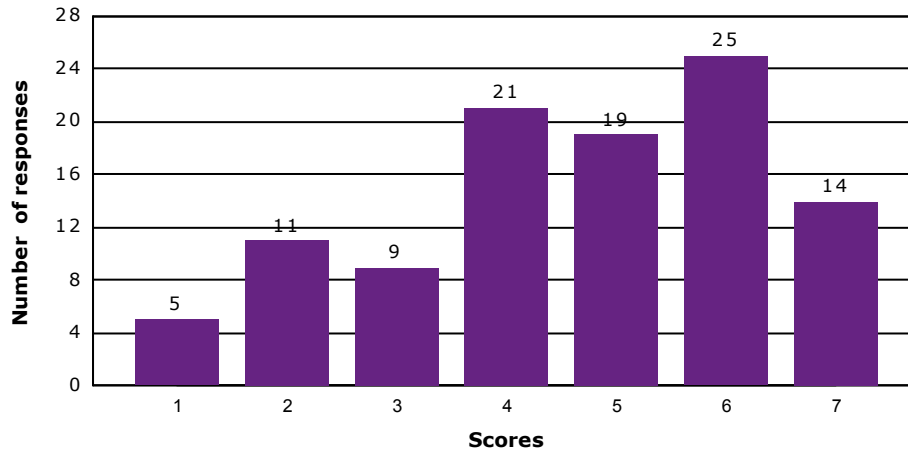
The average score for this question was 4.63 and most of the scores are generally positive.

	2010	**2014**	**2015**
Average score	4.3	4.08	4.63

ICT Shared Service Classification: Internal and External Document
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3.1.7 Question 7 – The Service Desk keeps you informed of progress with your problem

The ICT Service Desk keeps you informed of progress with your problem
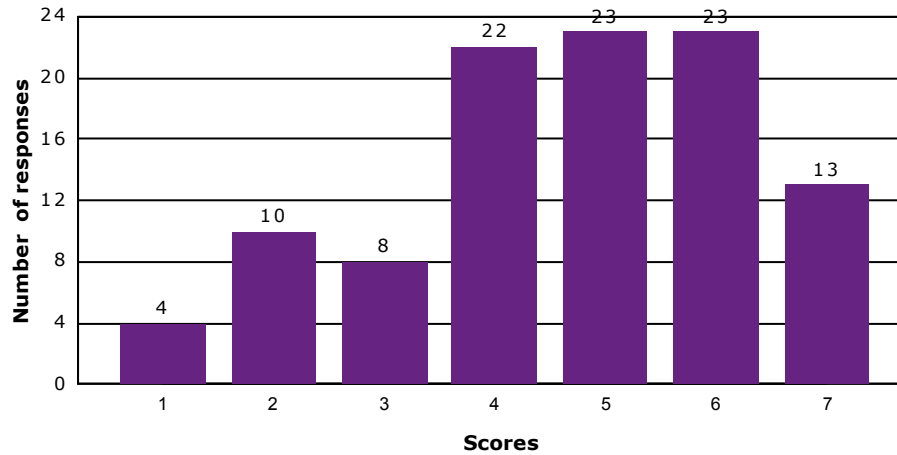
The majority of all respondents scored this positively. The average of all scores was 4.66.

	2010	**2014**	**2015**
Average score	4.9	4.11	4.66

ICT Shared Service Classification: Internal and External Document
Uncontrolled Document – valid only at time of printing 15/03/2017

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3.1.8 Question 8 – The Support you need from the ICT team meets your needs effectively

The support you need from the ICT team meets your needs effectively
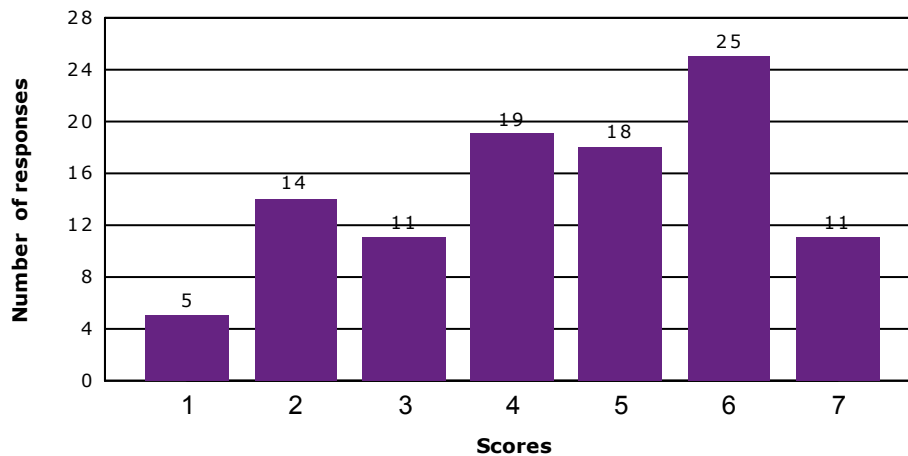
The responses to this question indicate that there is a fairly even spread of users who believe that the service offered meets their needs but there are others who believe it doesn't. The average score for this question was 4.46.

	2010	**2014**	**2015**
Average score	4.2	3.94	4.46

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Uncontrolled Document – valid only at time of printing 15/03/2017

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3.1.9 Question 9 – ICT Support staff have a high level of technical competence

ICT Support staff have a high level of technical competence
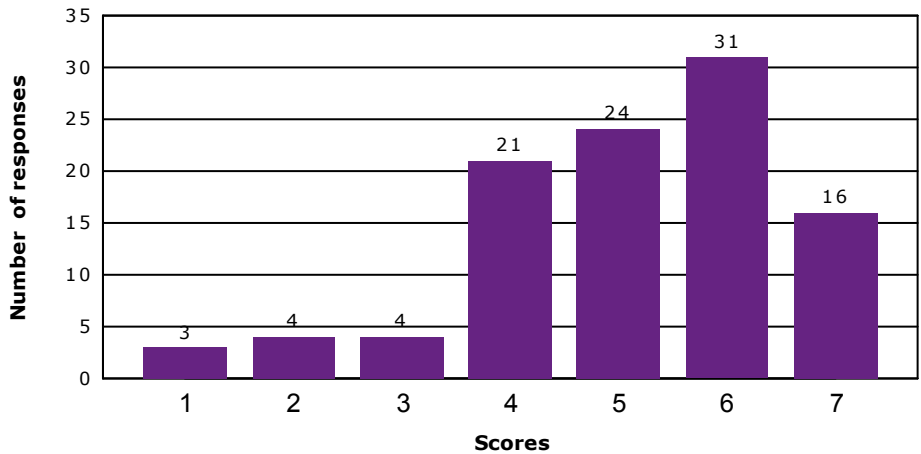
The chart shows that the level of technical competence is rated positively by the ICT users within BFRS.

	2010	**2014**	**2015**
Average score	4.6	4.41	5.10

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3.1.10 Question 10 – ICT support staff are easy to contact when they are needed

ICT support staff are easy to contact when they are needed
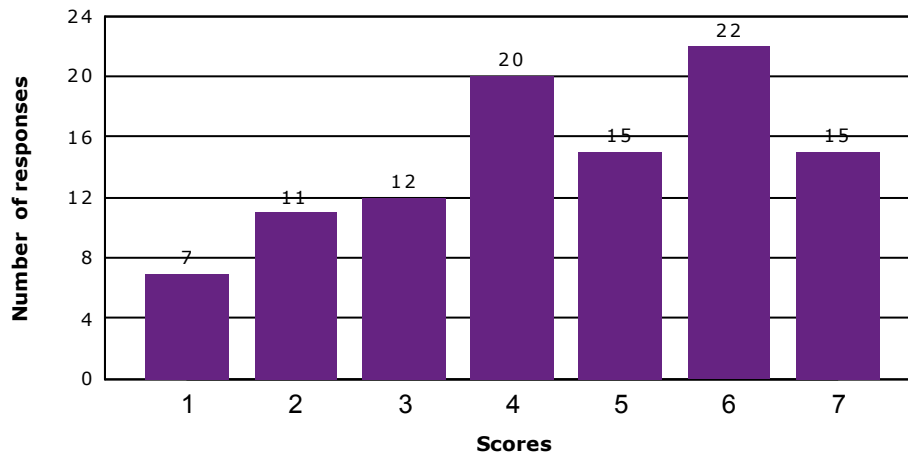
The average scores of this question was 4.48 – looking at the chart it would suggest that there are some users who continue to find ICT staff not easy to contact when needed.

	2010	**2014**	**2015**
Average score	4.0	3.81	4.48

ICT Shared Service Classification: Internal and External Document
Uncontrolled Document – valid only at time of printing 15/03/2017

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3.1.11 Question 11 – ICT support staff are able to diagnose problems accurately

ICT support staff are able to diagnose problems accurately
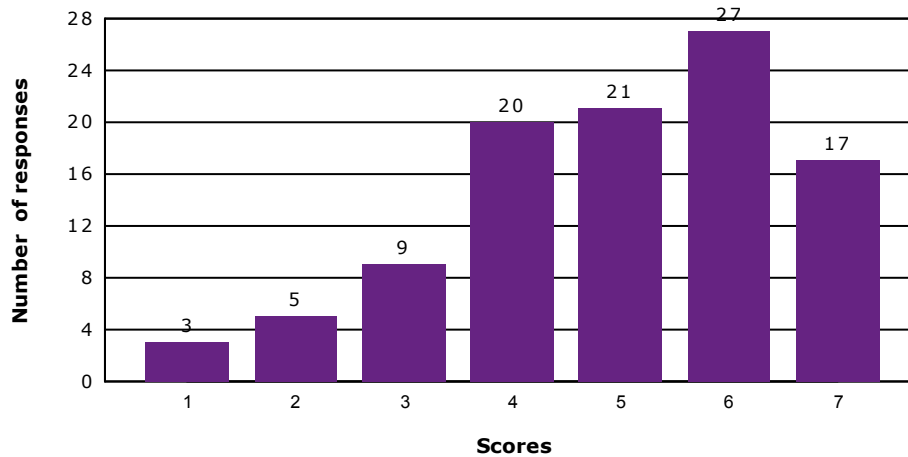
The average score for this question was 4.96 and the median was 5.0 which would indicate that users have confidence that there is accurate diagnosis of their ICT issues.

	2010	**2014**	**2015**
Average score	4.7	4.24	4.96

ICT Shared Service Classification: Internal and External Document
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3.1.12 Question 12 – ICT support staff have helpful attitudes

ICT support staff have helpful attitudes
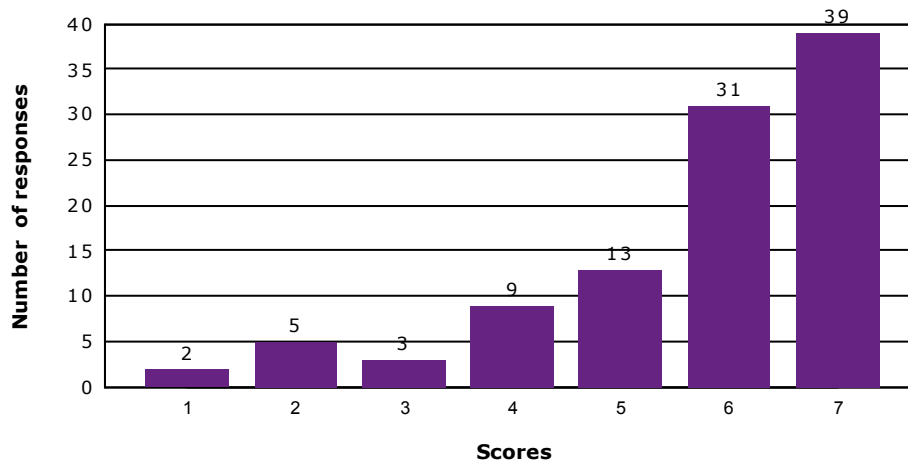
The majority of the respondents scored this question highly and the average score was 5.7.

	2010	**2014**	**2015**
Average score	4.9	4.86	5.7

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3.1.13   Question 13 – You know what level of support to expect from the ICT Service Desk

You know what level of support to expect from the ICT Service Desk
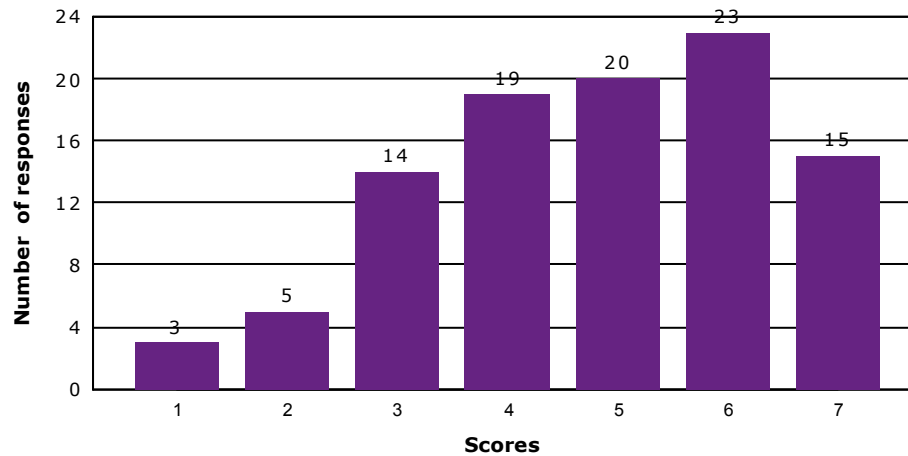
The average score for this was 4.79 which indicates that the majority of respondents know what level of support to expect.

	2010	**2014**	**2015**
Average score	5.1	4.38	4.79

ICT Shared Service Classification: Internal and External Document
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3.1.14   Question 14 – ICT support is available when you need it

ICT support is available when you need it
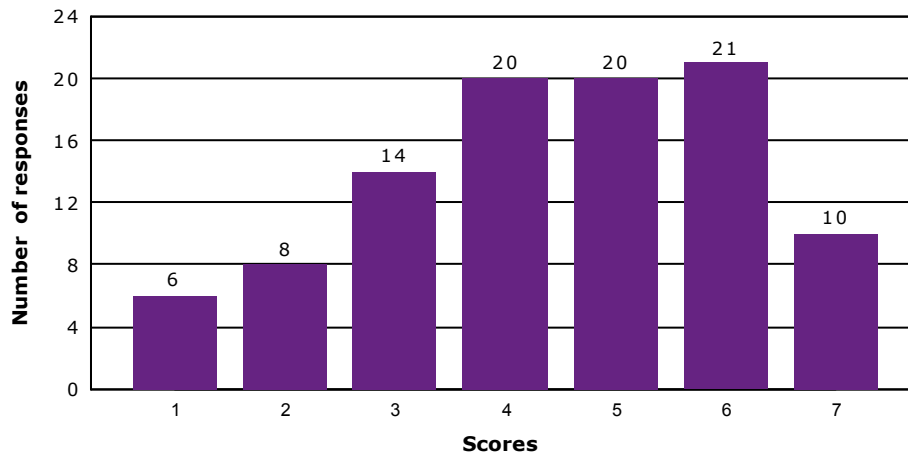
The majority of respondents responded positively to this question (median score 5), though clearly there are some respondents who feel that support isn't available when needed.

	2010	**2014**	**2015**
Average score	4.2	3.72	4.44

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3.1.15 Question 15 – ICT effectively supports the Fire and Rescue Service's strategic objectives

ICT effectively supports the Fire and Rescue Service's strategic objectives
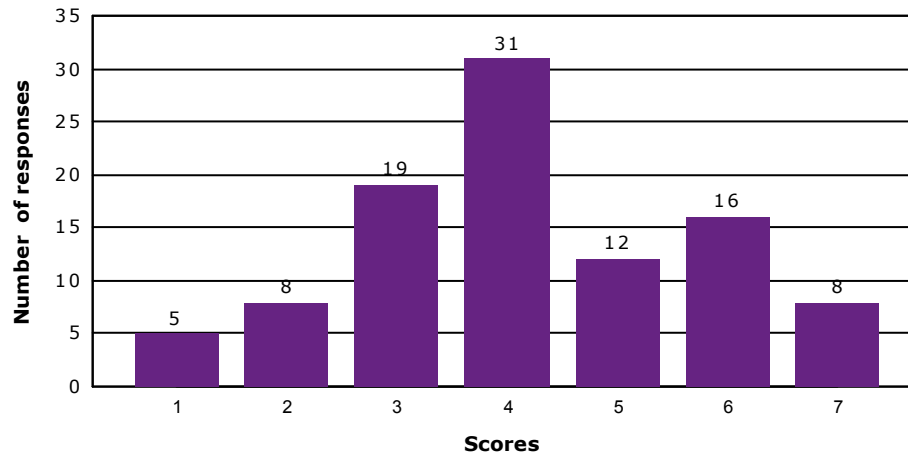
The effectiveness of ICT to support the strategic objectives was scored neutrally, with a spread across all of the scores.

	2010	**2014**	**2015**
Average score	3.8	3.86	4.18

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3.1.16   Question 16 – ICT provides you with accurate information when you need it

ICT provides you with accurate information when you need it
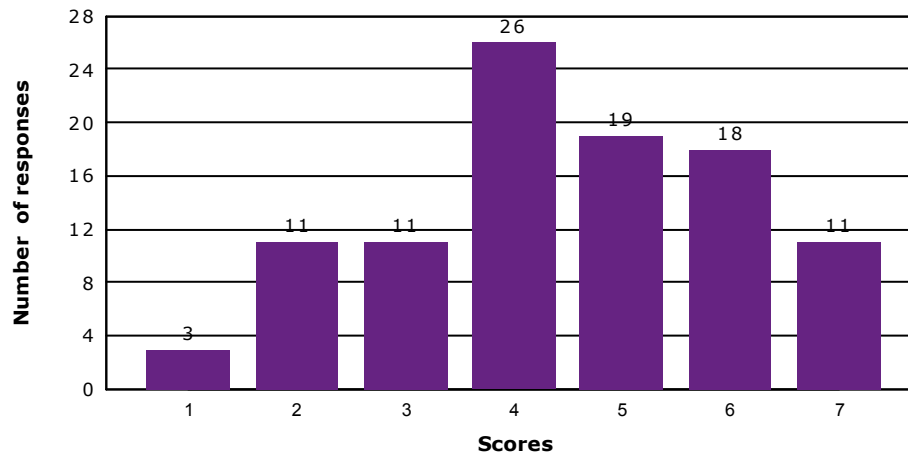
The average score for this was 4.46 – there are slightly more positive scores than negative.

	2010	**2014**	**2015**
Average score	4.3	4.19	4.46

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3.1.17 Question 17 – You have a good working relationship with those working in ICT

You have a good working relationship with those working in ICT
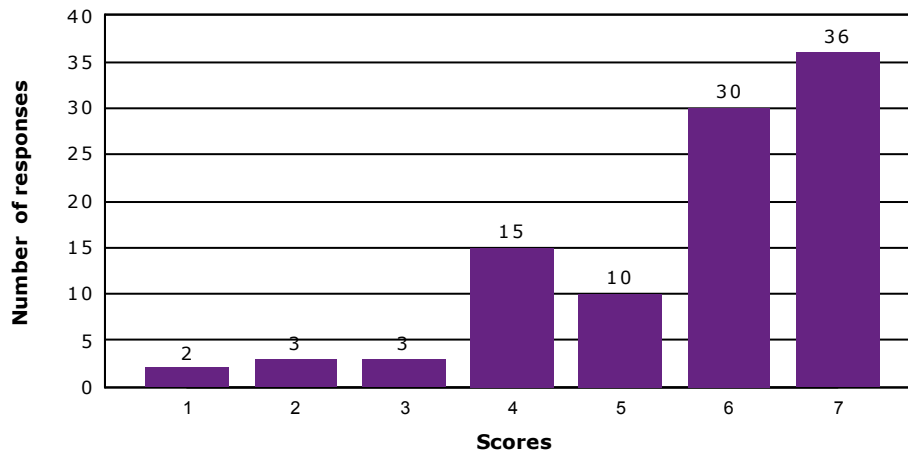
The majority of the respondents responded positively for this question.

	2010	**2014**	**2015**
Average score	5.1	5.09	5.65

ICT Shared Service Classification: Internal and External Document
Uncontrolled Document – valid only at time of printing 15/03/2017

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3.1.18   Question 18 – Good communication channels exist within ICT

Good communication channels exist within ICT
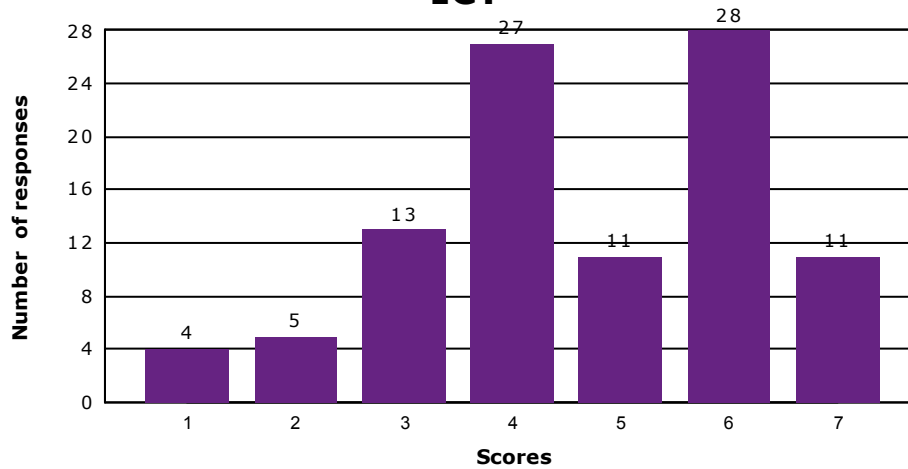
The respondents generally scored this question positively and agreed that there were good communication channels within ICT.

	2010	**2014**	**2015**
Average score	4.4	4.09	4.66

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3.1.19 Question 19 – Please give your overall opinion of the QUALITY of service provided by ICT

Please give your overall opinion of the QUALITY of service provided by ICT
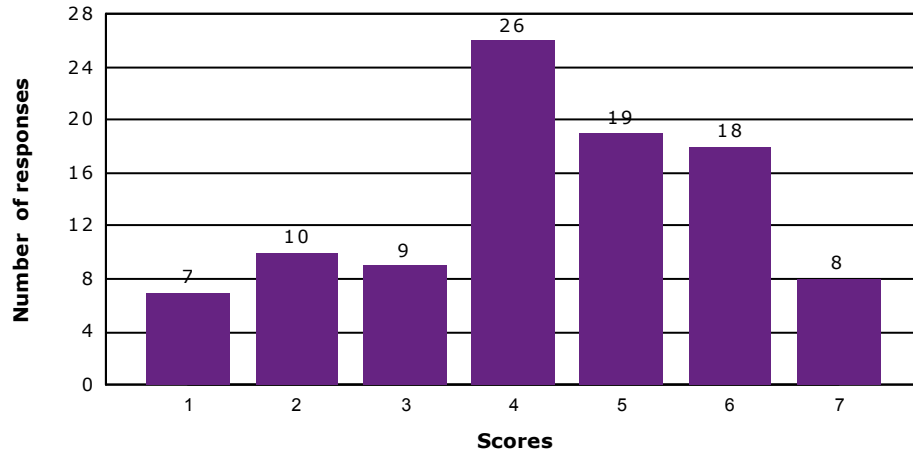
The average score for this was 4.3 which was above the median. A large number of respondents were positive about the quality of support received from ICT.

	2010	**2014**	**2015**
Average score	4.2	4.07	4.3

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Uncontrolled Document – valid only at time of printing 15/03/2017

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3.1.20 Question 20 - Please give your overall SATISFACTION with the ICT service

Please give your overall SATISFACTION with the ICT service
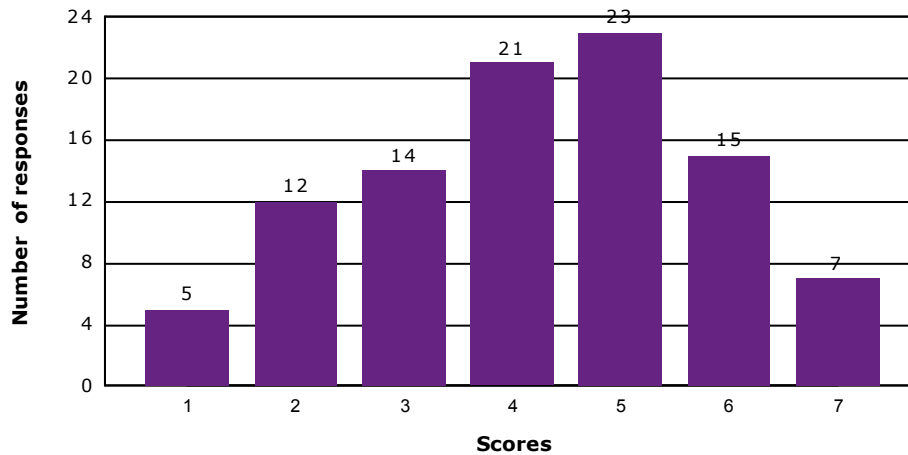
Again the median response for this was 4 with the average score being 4.22. As you can see there is a fairly even spread of scores across the range.

	2010	**2014**	**2015**
Average score	4.1	4.02	4.22

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4 Analysis of Comments

To be completed.

5 Recommendations

To be completed.

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REPORT AUTHOR: **HEAD OF SAFETY AND STRATEGIC PROJECTS**

SUBJECT: **CORPORATE RISK REGISTER**

For further information
on this Report contact: Service Operational Commander Tony Rogers
Head of Safety and Strategic Projects
Tel No: 01234 845163

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	CORE BRIEF	
	New		OTHER (please specify)	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To consider the Service's Corporate Risk Register in relation to Corporate Services.

RECOMMENDATION:
That Members note and approve the review by the Service of the Corporate Risk Register in relation to Corporate Services.

1.   Introduction

1.1   Members have requested a standing item to be placed on the Agenda of the Policy and Challenge Groups for the consideration of risks relating to the remit of each Group. In addition, the Fire and Rescue Authority's (FRA) Audit and Standards Committee receives regular reports on the full Corporate Risk Register.

1.2   An extract of the Corporate Risk Register showing the risks appropriate to the Corporate Services Policy and Challenge Group together with explanatory notes regarding the risk ratings applied is appended to this report.

2.   Current Revisions

2.1   The register is reviewed on a monthly basis during the Service's Corporate Management Team (CMT) meetings and by CMT members between these meetings if required. A copy of the risks relevant to the Corporate Services Policy and Challenge Group are attached for your information and approval.

2.2   Changes to individual risk ratings in the Corporate Risk Register: None.

2.3   Updates to individual risks in the Corporate Risk Register:

- **CRR 08: Inability of supplier to maintain supplies. Key supplier monitoring is inefficient as on-going financial vetting is not conducted:** The Service's key suppliers have been identified and now have robust business continuity and monitoring arrangements in place to ensure service delivery in the event of a business interruption to their services. In addition to these arrangements the Finance Team undertake annual financial checks with key suppliers to provide a further level of assurance.

- **CRR27: If we receive a poor budget settlement from government and the Local Authorities covering both revenue and capital funds, and we have an adverse response from our Council Tax Precept consultation processes, then our ability to deliver a full range of services could be significantly affected:** The Transformational Earmarked Reserve (EMR) is in line with the Service's medium term financial strategy and has been established over a number of years. Based upon current estimates this reserve will close the budget gap into 2019/20. At present no Government funding figures are known for 2016/17 onwards; therefore the Service awaits the anticipated multi-year settlement following the Chancellor's Autumn Statement on 25th November 2015.

- **CRR 43: If the Service suffers a terrorist attack then there is the potential for elements of the Critical National Infrastructure (CNI) to be compromised, our ability to respond to emergency incidents could be significantly affected, we would be unable to fulfil our duties under the Civil Contingencies Act and our reputation could be adversely affected**. As part of developing the Service Headquarters site, a review has recently been completed with regard to the physical security arrangements. As a result of the review an Action Plan has been created with an associated schedule of works to be developed.

3.   Information Security Management System

3.1   The Information Security Management System project that is reported to the Corporate Services Policy and Challenge Group as a corporate project and to the Audit Standards Committee as an Annual Governance Statement action has now been completed.

**SERVICE OPERATIONAL COMMANDER TONY ROGERS
HEAD OF SAFETY AND STRATEGIC PROJECTS**

Explanatory tables in regard to the risk impact scores, the risk rating and the risk strategy.

Risk Rating

Risk Rating/Colour	Risk Rating Considerations / Action
Very High	High risks which require urgent management attention and action. Where appropriate, practical and proportionate to do so, new risk controls must be implemented as soon as possible, to reduce the risk rating. New controls aim to: • reduce the likelihood of a disruption • shorten the period of a disruption if it occurs • limit the impact of a disruption if it occurs These risks are monitored by CMT risk owner on a regular basis and reviewed quarterly and annually by CMT.
High	These are high risks which require management attention and action. Where practical and proportionate to do so, new risk controls *should* be implemented to reduce the risk rating as the aim above. These risks are monitored by CMT risk owner on a regular basis and reviewed quarterly and annually by CMT.
Moderate	These are moderate risks. New risk controls should be considered and scoped. Where practical and proportionate, selected controls should be prioritised for implementation. These risks are monitored and reviewed by CMT.
Low	These risks are unlikely to occur and are not significant in their impact. They are managed within CMT management framework and reviewed by CMT.

Risk Strategy

Risk Strategy	Description
Treat	Implement and monitor the effectiveness of new controls to reduce the risk rating. This may involve significant resource to achieve (IT infrastructure for data replication/storage, cross-training of specialist staff, providing standby-premises etc) or may comprise a number of low cost, or cost neutral, mitigating measures which cumulatively reduce the risk rating (a validated Business Continuity plan, documented and regularly rehearsed building evacuation procedures etc)
Tolerate	A risk may be acceptable without any further action being taken depending on the risk appetite of the organisation. Also, while there may clearly be additional new controls which could be implemented to 'treat' a risk, if the cost of treating the risk is greater than the anticipated impact and loss should the risk occur, then it may be decided to tolerate the risk maintaining existing risk controls only
Transfer	It may be possible to transfer the risk to a third party (conventional insurance or service provision (outsourcing)), however it is not possible to transfer the responsibility for the risk which remains with BLFRS
Terminate	In some circumstances it may be appropriate or possible to terminate or remove the risk altogether by changing policy, process, procedure or function

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For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
26 November 2015
Item No. 13

REPORT AUTHOR: **CHIEF FIRE OFFICER**

SUBJECT: **REVIEW OF CORPORATE SERVICES POLICY AND CHALLENGE GROUP EFFECTIVENESS 2015/16**

For further information   Karen Daniels
on this Report contact: Assurance Services Manager
                            Tel: 01234 845013

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To review the Group's effectiveness in 2015/16.

Item 13.1

RECOMMENDATIONS:

That:
1.   Members consider the effectiveness of the Group; and
2.   The recorded Minutes of the meeting be fed into the facilitated meeting to be held on 27 January 2016 to review the Fire Authority's effectiveness in 2015/16.

---

1.   Introduction

1.1   The Fire Authority publishes an Annual Review of its Effectiveness and Record of Member Attendance. This Review and a resultant Action Plan are included in the Fire Authority's Annual Governance Statement, which forms part of the Statement of Accounts.

2.   2015/16 Review of Effectiveness

2.1   On 24 September 2015, the Audit and Standards Committee considered proposals for a review of the Fire Authority's effectiveness in 2015/16 and agreed a Form of Review Questionnaire to be completed by Members for discussion at a facilitated meeting on 27 January 2016.

2.2   Members also agreed a recommendation from an internal audit conducted by RSM Tenon that the Policy and Challenge Groups and the Audit and Standards Committee review their own effectiveness to feed into the annual review of the Fire Authority. It was agreed that Members should be sent the questionnaire via email for completion prior to the meetings of the Policy and Challenge Groups and the Audit and Standards Committee to facilitate the compilation of responses at each meeting.

2.3   Members may therefore wish to consider the effectiveness of the Group by reviewing the responses to the questionnaire and agree that the recorded Minutes of the meeting be fed into the facilitated annual review meeting of the Fire Authority to be held on 27 January 2016.

2.4   In this regard, it should perhaps be noted that Members have agreed a cycle of work for the Group and, at each meeting, consider if there are any reviews or reports they wish to commission.

PAUL M FULLER
CHIEF FIRE OFFICER

The Corporate Services Policy and Challenge Group helps to shape the organisation and steers it towards its future, taking responsibility for the organisation's long-term success or failure.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

2. The Corporate Services Policy and Challenge Group has up-to-date strategic, operational, improvement, risk management and financial plans.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

3. The Corporate Services Policy and Challenge Groups key planning documents are in a form which facilitates and supports effective scrutiny by the Authority.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

Item 13.1 App

4. The Corporate Services Policy and Challenge Group has a regular cycle to consider and approve strategic, operational, improvement, risk management and financial plans.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

5. The Corporate Services Policy and Challenge Group effectively considers risk and determines the critical/key issues facing the organisation.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

6. The Corporate Services Policy and Challenge Group effectively monitors:
- financial performance, including revenue and capital expenditure, against budget;
- operational and service standards against targets.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

7. The Corporate Services Policy and Challenge Group looks at trends over time, considers and agrees actions to improve performance that is deteriorating or below expectations and compares performance against peers and other benchmarks.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

8. Recommendations contained in external audit reports and the management letter and in internal audit reports are scrutinised and performance monitored to ensure Action Plans are adhered to.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

9. The Corporate Services Policy and Challenge Group adequately reflect and oversee the relevant activities of the organisation.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

Item 13.3 App

10. The Corporate Services Policy and Challenge Group runs efficient and effective meetings which achieve the right balance between proper and efficient business and the need for Members to express views and discuss issues.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

11. Meetings of the Corporate Services Policy and Challenge Group are appropriate with regard to:
    a.   Frequency

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

    b.   Duration

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

Item 13.4 App

c. Agenda

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

d. Timeliness for circulation of supporting papers

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

e. Quality of information provided

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

Item 13.5 App

f.   Support from senior management

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

g.   Minutes

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

12.   Members are well informed about the organisation, their role, responsibilities and performance and understand the organisation, its values, culture and philosophy.

3	Satisfied (please comment as necessary)	
2	Satisfied but feel more needs to be done (state what)	
1	Not Satisfied (state why and what needs to be done)	
Comment		

13. Do Members of the Corporate Services Policy and Challenge Group require any further support in their roles?

Comment

14. Do Members of the Corporate Services Policy and Challenge Group have any specific requirements for personal development on either an individual or group basis, in 2015/16?

Comment

Name (optional):

Date:

Item 13.7 App

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For Publication

REPORT AUTHOR: **CHIEF FIRE OFFICER**

SUBJECT: **WORK PROGRAMME AND REVIEW OF SIXTH PAPERLESS MEETING**

For further information   Karen Daniels
on this report contact: Assurance Services Manager
                              Tel No: 01234 845013

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

1.   To report on the work programme for 2015/16 and to provide Members with an opportunity to request additional reports for the Corporate Services Policy and Challenge Group meetings.

2.   To consider the outcome of this and the previous five 'paperless' meetings 9 September 2014, 2 December 2014, 3 March 2015, 17 June 215 and 26 November 2015 which the Fire and Rescue Authority agreed to trial on 2 May 2014.

RECOMMENDATIONS:

1.   That Members review the work programme and consider additional items for the Corporate Services Policy and Challenge Group meetings for 2015/16; and

2.   Review the method of receiving papers electronically and the way the 'paperless' meetings were conducted making recommendations on possible future 'paperless' meetings.

PAUL M FULLER
CHIEF FIRE OFFICER

CORPORATE SERVICES POLICY AND CHALLENGE GROUP (CSPCG) PROGRAMME OF WORK 2015/16

Meeting Date	'Cyclical' Agenda Items		Additional / Commissioned Agenda Items	
	Item	Notes	Item	Notes
26 November 2015	• Minutes of Shared Service IT Governing Body • Revenue Budget and Capital Programme Monitoring 2015/16 • New Internal Audit Reports Completed to date • Audit and Governance Action Plan Monitoring Report • Corporate Services Performance 2015/16 Quarter 2 and Programmes to date • Treasury Management Mid Year Review Report • Risk Register • Review of the Fire Authority's Effectiveness • Work Programme 2015/16	Baker Tilly name change to RSM from Oct 2015	Fuel Cards Report Phasing of the Community Safety Budget Report Lease Vehicles ICT Satisfaction Survey	Added 24/09/2015 following AudStd meeting Added 16/09/2015 (Reported to FRA 21.10.15 in Rev Budget and Capital Monitoring Report) Added 16/09/2015 (Reported to Aud StdC 24.10.15 during item on 2014/15 Statement of Accounts) Referred to in Minutes of CSPCG 16 Sept 15

Item 14.3

Meeting Date	'Cyclical' Agenda Items		Additional / Commissioned Agenda Items	
	Item	Notes	Item	Notes
7 March 2016	• Minutes of Shared Service IT Governing Body • Revenue Budget and Capital Programme Monitoring 2015/16 • New Internal Audit Reports Completed to date • Audit and Governance Action Plan Monitoring Report • Corporate Services Performance 2015/16 Quarter 3 and Programmes to date • Proposed Corporate Services Indicators and Targets 2016/17 • Risk Register • Review of Work Programme 2015/16			

Recommended Future Items for CSPCG

Options for a future model for ICT Shared Services		Requested at FRA meeting 4 June 2015 and CSPCG 17 June 2015

CORPORATE SERVICES POLICY AND CHALLENGE GROUP (CSPCG) PROGRAMME OF WORK 2016/17

Meeting Date	'Cyclical' Agenda Items		Additional / Commissioned Agenda Items	
	Item	Notes	Item	Notes
June 2016	• Election of Vice Chair • Terms of Reference • Minutes of Shared Service IT Governing Body • New Internal Audit Reports Completed to date • Audit and Governance Action Plan Monitoring Report • Corporate Services Performance 20115/16 Year End Report and Programmes to date • Treasury Management Annual Report • Asset Management Policy and Plans – ICT, Property and Fleet • Risk Register • Work Programme 2016/17 • Review of Use of the Regulation of Investigatory Powers Act (RIPA)			

Meeting Date	'Cyclical' Agenda Items		Additional / Commissioned Agenda Items	
	Item	Notes	Item	Notes
September 2016	• Minutes of Shared Service IT Governing Body • Revenue Budget and Capital Programme Monitoring 2016/17 • 2017/18 Revenue Budget and Capital Programme (Planning Arrangements) • New Internal Audit Reports Completed to date • Audit and Governance Action Plan Monitoring Report • Corporate Services Performance 2016/17 Quarter 1 and Programmes to date • Annual Review of the Operation of ICT Shared Service Agreement' • Risk Register • Work Programme 2016/17			